

BIRLA PRECISION TECHNOLOGIES LIMITED
(Formerly Birla Kennametal Limited)

ISO 9001 : 2000 &
ISO 14001 : 2004
CERTIFIED

Birla Precision
Machining Center Tooling



BPT
BIRLA
PRECISION

21ST ANNUAL REPORT
2007-08



THE YASH BIRLA GROUP



BIRLA PRECISION TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS BIRLA KENAMETAL LIMITED)

COMPANY INFORMATION

BOARD OF DIRECTORS : Shri Yashovardhan Birla - Chairman
Dr. W.R. Correa
Shri Shailesh Sheth
Shri Praveen Gupta
Shri P.V.R. Murthy
Shri Mohandas Shenoy Adige

VICE PRESIDENT : Shri Anil Choudhari

COMPANY SECRETARY : Shri Manish Parikh

AUDITORS : DALAL & SHAH
Chartered Accountants
East & West Insurance Building,
2nd Floor, 49/55,
Bombay Samachar Marg, Fort,
Mumbai - 400 001, India.

BANKERS : Bank of Maharashtra

REGISTERED OFFICE & FACTORY : B-15/4, M.I.D.C. Industrial Area
Waluj,
Aurangabad - 431 133 (M.S.)

REGISTRAR & SHARE TRANSFER AGENTS : M/s. Karvy Computershare Pvt. Ltd.
17-24, Vittalrao Nagar,
Madhapur,
Hyderabad - 500 081 (A.P.)

21st Annual General Meeting
Thursday, 18th September, 2008
at 03.30 P.M.
at Registered Office of the Company at
B-15/4, M.I.D.C., Waluj,
Aurangabad - 431 133. (M.S.)

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BIRLA PRECISION TECHNOLOGIES LIMITED

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 21st ANNUAL GENERAL MEETING OF BIRLA PRECISION TECHNOLOGIES LIMITED will be held on Thursday, 18th September, 2008 at 3.30 p.m., at the Registered Office of the Company at B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date together with the Report of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended 31st March, 2008.
3. To appoint a Director in place of Shri Shailesh Sheth who retires by rotation and is eligible for re-appointment.
4. To appoint M/s. Dalal and Shah, Chartered Accountants, retiring Auditors as Auditors of the Company, 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 to fix their remuneration.

SPECIAL BUSINESS

5. Appointment of Shri P. V. R. Murthy as a Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Shri P.V.R. Murthy who was appointed by the Board of Directors as an Additional Director of the Company with effect from 2nd May, 2008 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. Appointment of Shri Mohandas Shenoy Adige as a Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Shri Mohandas Shenoy Adige who was appointed by the Board of Directors as an Additional Director of the Company with effect from 2nd May, 2008 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

7. Increase in Borrowing Powers

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, (including any statutory modification or reenactments thereof for the time being in force) and other applicable provisions, if any, of the Companies Act, 1956, and in supersession of all resolutions passed in this regard, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise including External Commercial Borrowings/ Foreign Currency Convertible Bonds and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stock in process, finished goods, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of Rs.150 Crores (Rupees One Hundred Fifty Crores only), exclusive of interest, and the Board is hereby, further authorised to execute such deed of mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board may think fit."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

8. Creation of Charge/mortgage/hypothecation

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Company do hereby accord its consent under Section 293(1)(a) of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) to mortgaging and/or charging by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of all or any of the immovable or movable properties of the Company wherever situate, both present and future, in such form and in such manner as the Board may think fit, for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/banks/insurance companies or person or persons, and/or to secure any debenture/bonds issued or that may be issued and all interests, compound/additional interest, commitment charges, costs, charges, expenses and all other monies payable by the Company to the concerned lenders within the overall limits specified under Section 293(1)(d) of the Companies Act, 1956."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

9. Raising of Funds through Further Issue of Securities

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

“RESOLVED THAT pursuant to and in accordance with the provisions of Section 81 (1), 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, The Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and subject to any required approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India and the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and / or any other competent authorities, the Securities and Exchange Board of India guidelines, the Reserve Bank of India Guidelines, the relevant provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Agreement(s) with Stock Exchange on which the shares and other securities of the Company are listed (including any amendment thereto or re-enactment of all or any of the aforesaid) and subject to all such approvals, permissions, sanctions and consents, if any, as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such conditions and modifications as may be prescribed by any of the above said authorities, bodies and agencies, and which may be agreed to by the Board of Directors of the Company/(hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof which the Board may have or may hereafter constitute, to which all or any of the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), from time to time in one or more tranches, whether rupee denominated or denominated in foreign currency, in consultation with the Lead Manager(s) and/or Underwriter(s) and/or other advisor(s), (i) Foreign Currency Convertible Bonds and/or other Securities including debentures convertible, at the option of the Company and/or entitling the holder thereof to apply and convert at his option into equity shares with or without voting/special rights, and/or (ii) other securities convertible into or exchangeable with or linked to equity shares, and/or (iii) securities with or without detachable Warrants with a right exercisable by the warrant holder to subscribe for equity shares, and/or (iv) Warrants with a right or option exercisable by the warrant holder to convert or subscribe to equity shares, and/or (v) equity shares, preference shares or other convertible/non convertible securities of the Company, through public issue, right issue, Global Depository Receipts, American Depository Receipts, private offerings or through depository receipt mechanism, participatory notes or otherwise (all hereinafter collectively referred to as the “Securities”) and/or any combination of securities in domestic and/or one or more international markets (with or without Green Shoe Option) to any person including promoters, existing shareholder, employee, Indian Public, Qualified Institutional Buyers, domestic institutions, institutional investors, banks, mutual funds, companies, bodies corporate or other entities, individuals or other persons (collectively referred to as the “Investors”), whether residents and/or non-residents and/or strategic investors and/or non resident individuals and/or corporate bodies and whether or not such investors are members of the Company, as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs.150 Crore (Rupees One Hundred Fifty Crores) or equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities through public offer and/or offer letter and/or placement document and/or circular and/or information memorandum and/or such other documents writings, and/or on private placement basis and/or a combination thereof in such manner, on such terms and conditions and at such time or times as may be determined by the Board in its absolute discretion, with power to settle details as to

the form and terms of issue of the Securities and all other terms, conditions and matters connected therewith including to accept any modifications thereto or therein as may be required by concerned authorities and/or persons involved with any such issue of Securities subject, however, to all applicable laws and regulations."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 ("SEBI (DIP) Guidelines") and the provisions of the Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Board of Directors may at their absolute discretion issue, offer and allot equity shares or securities convertible into equity shares for a value upto the amount of Rs.150 Crore (Rupees One Hundred Fifty Crore only) inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI (DIP) Guidelines) pursuant to a qualified institutional placement, as provided under Chapter XIII A of the SEBI (DIP) Guidelines and such securities shall be fully paid up and the allotment of such securities shall be completed within 12 months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI (DIP) Guidelines from time to time."

"RESOLVED FURTHER THAT in the case of a qualified institutional placement of equity shares pursuant to Chapter XIII A of the SEBI (DIP) Guidelines, the relevant date for the determination of the price of the equity shares, shall be 19th August, 2008 being the date which is 30 days prior to the date of holding of the general meeting or such other time as may be allowed by SEBI (DIP) Guidelines from time to time and such price shall be subject to appropriate adjustments in the applicable rules / guidelines / statutory provisions."

"RESOLVED FURTHER THAT the pricing of the securities and the pricing of any equity shares issued upon the conversion of the securities shall be made subject to and in compliance with the applicable laws and regulations."

"RESOLVED FURTHER THAT in the event the securities convertible into equity shares are issued under Chapter XIII A of the SEBI (DIP) Guidelines, the relevant date for the purpose of pricing of the securities shall be 19th August, 2008 being the date which is 30 days prior to the date of holding of the annual general meeting or a day thirty days prior to the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares or such other time as may be allowed by SEBI (DIP) Guidelines from time to time and such price shall be subject to appropriate adjustments in the applicable rules / guidelines / statutory provisions."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares, with or without conversion rights, with or without voting rights or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to offer, issue and allotment of the Securities,



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payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into equity shares or issue of equity shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into equity shares."

"RESOLVED FURTHER THAT in the event any of the Securities are issued in international / foreign capital market, the issue of such Securities shall be deemed to have been made abroad in the market and/or at the place of issue of such Security in the international market and shall be governed by English law or such other foreign law as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares pursuant hereto and/or as may be required to be issued and allotted upon conversion of any of the Securities referred to above or as may be necessary in accordance with the terms of offering thereof and all Equity Shares so issued and allotted shall be subject to the Memorandum and Articles of Association of the Company shall rank *pari passu* in all respects with the existing Shares of the Company unless otherwise specified in the relevant terms."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the entering into of arrangements for underwriting, marketing, listing, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), paying and conversion agent(s) and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and approve the preliminary as well as the final offer document for the proposed issue and to sign the above documents, together with the authority to amend, vary, modify the same as may be considered necessary, desirable, or expedient for the purpose aforesaid and to give such declarations, affidavits, certificates, consents, authorities as may be required from time to time.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Director or Committee of Directors/Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions."

10. Increase in Limits for FII Investment

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 applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors including their sub-accounts (hereinafter referred to



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as "the FII's"), in the shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the conditions that the total holding of all FII shall not exceed 74 (seventy four) per cent of the paid up equity share capital of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

NOTES

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 5 to 10 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
3. The Register of Members and Share Transfer Books of the Company will be closed from Monday, 15th September, 2008 to Thursday, 18th September, 2008 (both days inclusive) for the purpose of dividend to those Members whose names stand on the Register of Members as on 13th September, 2008. The dividend in respect of Equity Shares held in electronic form will be payable to the beneficial owners of the Equity Shares as at the end of business hours on 12th September, 2008, as per the details furnished by the depositories for this purpose.
4. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrant, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Share Transfer Agents.
5. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS, mandates, nominations, power of attorney, change of address/name, etc. to their Depository Participant only and not the Company's Registrars and Share Transfer Agents. Changes intimated to Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Share Transfer Agents to provide efficient and better service to the Members.
6. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.

By Order of the Board of Directors

Place : Mumbai
Date : 4th July, 2008

Manish Parikh
Company Secretary



BIRLA PRECISION TECHNOLOGIES LIMITED

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 (the Act), sets out all material facts relating to the business mentioned at Item Nos. 5 to 10 of the accompanying Notice dated 4th July 2008.

Item No. 5 & 6

The Board of Directors of the Company appointed Shri P. V. R. Murthy and Shri Mohandas Shenoy Adige as Additional Directors of the Company with effect from 2nd May, 2008 pursuant to Section 260 of the Act and Article 136 of the Articles of Association of the Company. Under Section 260 of the Act, Shri. P. V. R. Murthy and Shri Mohandas Shenoy Adige ceases to hold office at this Annual General Meeting but are eligible for appointment as Directors. Notices under Section 257 of the Act have been received from Members signifying their intention to propose their appointment as Directors.

The Board considers it desirable that the Company should continue to avail itself of the services of Shri P. V. R. Murthy and Shri Mohandas Shenoy Adige and accordingly commends the Resolutions at Item No. 5 and 6 for approval by the Members.

None of the Directors except Shri P. V. R. Murthy and Shri Mohandas Shenoy Adige are concerned or interested in Item No. 5 & 6 of the notice respectively.

Item No. 7 & 8 Increase in Borrowing Powers and Creation of Charge/mortgage/hypothecation

Members, at the meeting held on 27th September, 2007 had authorized the Board to borrow up to Rs. 50 Crores from Bank/Financial Institutions etc. notwithstanding that the money or monies borrowed/to be borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free Reserves, that is to say, reserves not set apart for any specific purpose. To facilitate future growth and business requirement/expansions, your Company would require more infusion of funds, either in the form of equity or debt from financial institutions, Banks or others. It is, therefore proposed to enhance the borrowing limits from the existing Rs. 50 Crores to Rs. 150 Crores by seeking appropriate authorization from the Members of the Company under the provision of Section 293(1) (d) of the Companies Act, 1956.

The borrowings of the Company in general are required to be secured from time to time by creation of mortgage or charge on all or any of the movable or immovable property/assets of the Company in such form and manner as may be required by the lenders and acceptable to the Board of Directors of the Company.

Mortgaging or creating charge by the Company of its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the Board of Directors, may be construed as disposal of the Company's undertaking within the meaning of Section 293(1)(a) of the Companies Act, 1956. It is therefore considered necessary for the Members to authorize the Board to create mortgage/charge on Company's Assets in the manner proposed in the resolution to secure the funds borrowed by the Company from time to time.

The Board recommends the Ordinary Resolutions as set out in item no. 7 & 8 of the Notice for members' approval.

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

Item No. 9 Raising of Funds through Further Issue of Securities

To augment the Company's long term working capital resources and also to part finance, expansion, modernization, diversification schemes proposed to be undertaken by the Company in order to make operations more competitive in terms of size, technology and cost, reduce its cost of financing by retiring high cost term debt and improving debt equity ratio, it is considered desirable to raise funds by further issue of capital upto an amount not exceeding Rs. 150 crores in the aggregate, including premium, if any.



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As per Section 81(1A) of the Companies Act, 1956, whenever it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81 unless the shareholders in a General Meeting by way of special resolution decide otherwise. As the Special Resolution proposed in the item no. 9 of the Notice results in the issue of shares of the Company to members and /or non-members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1), 81 (1A) and other applicable provisions of the Companies Act, 1956 and the clauses of Listing Agreement executed by the Company with Stock Exchange where the Equity Shares of the Company are listed.

The Special Resolution seeks to provide enabling authority to the Board of Directors of the Company to issue securities as mentioned in the Resolution.

The Board recommends the Special Resolution as set out in item no. 9 of the Notice for members' approval.

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

Item No. 10 Increase in Limits for FII Investment

The foreign institutional investors (FIIs) have assumed a crucial role in the Indian Capital market. It is proposed to facilitate greater FII investment in the Company, which would not only provide depth and liquidity to the Company's shares but will also reflect the Company's commitment to the highest standards of disclosure, transparency and corporate governance. In terms of provisions of Portfolio Investment Scheme under the Foreign Exchange Management (Transfer or Issue of Security by a Person resident Outside India) Regulations, 2000, the Foreign Institutional Investors may invest in the equity shares up to the sectoral cap/ statutory limit as applicable to the Indian Companies, subject to the approval of the Board of Directors and approval of members of the Company by way of Special Resolution.

The Board of Directors of the Company at its meeting held on 4th July, 2008 inter alia, proposed, subject to the approval of members by way of a Special Resolution, to enhance the said limits of FII investment upto 74 per cent of the paid up Equity Share Capital of the Company.

The Board recommends the Special Resolution as set out in item no. 10 of the Notice for members' approval.

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

By Order of the Board of Directors

Place : Mumbai
Date : 4th July, 2008

Manish Parikh
Company Secretary