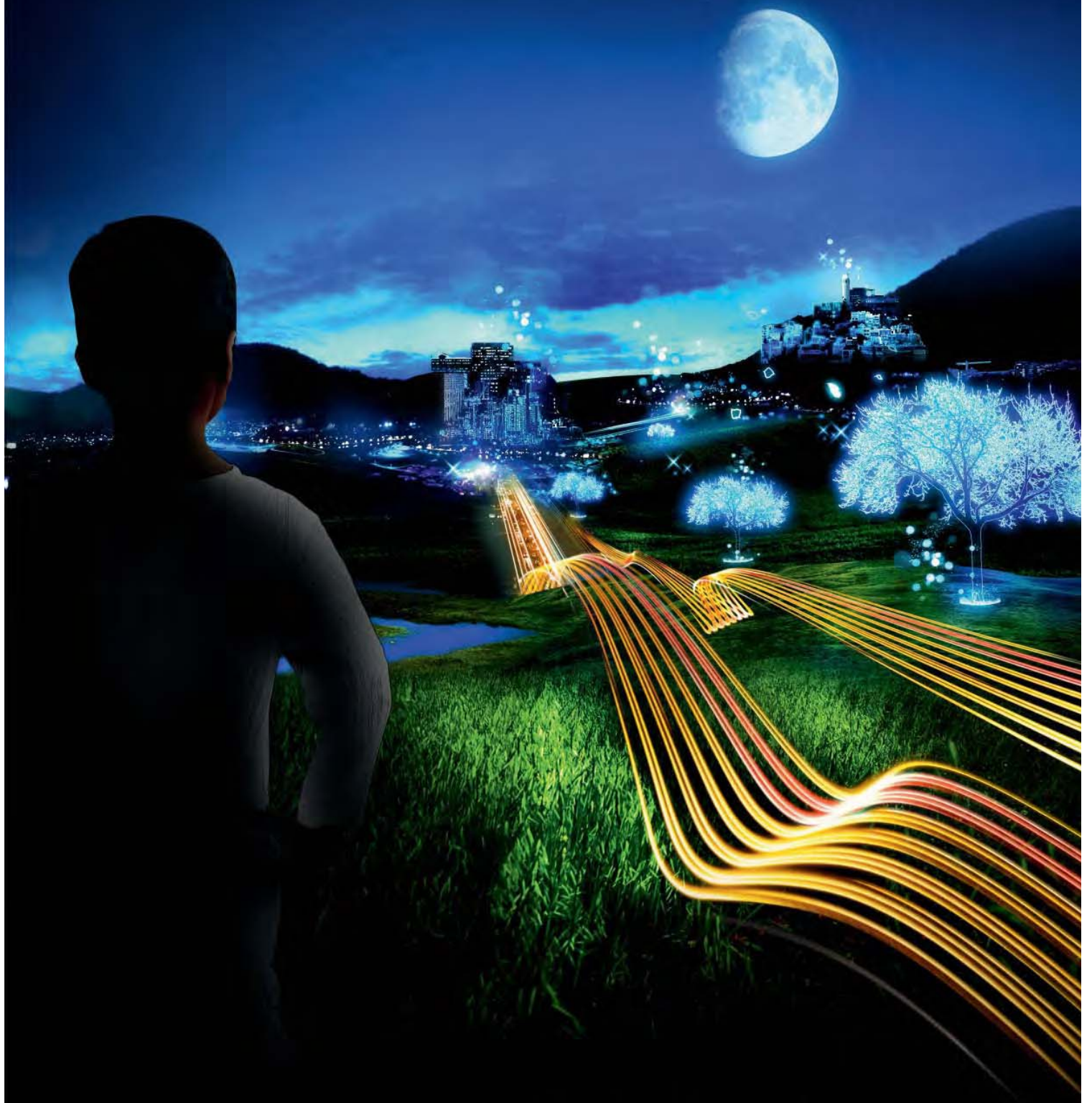


Annual Report 2009/10
ALSTOM Projects India Limited



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ALSTOM Projects India Limited

Annual Report and Accounts 2009-2010

Board of Directors

Sunand Sharma, Chairman
Emmanuel Colombier, Vice Chairman & Managing Director
(up to 31st March, 2010)
Francois Carpentier, Vice Chairman & Managing Director
(from 28th April, 2010)
S.M. Momaya, Whole-time Director & Chief Financial Officer
Pedro Sole
Dominique Pouliquen
K. Vasudevan
A. K. Thiagarajan
Dr. Uddesh Kohli

Company Secretary

Sekhar Bhattacharjee

Auditors

Price Waterhouse

Registered Office

The International, 5th Floor,
16, Marine Lines Cross Road No.1,
Off Maharshi Karve Road,
Churchgate, Mumbai – 400 020
Telephone: +91 (22) 22000487/490/528
Fax: +91 (22) 22000324
Website: www.in.alstom.com
Email: sekhar.bhattacharya@power.alstom.com

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai – 400 053
Telephone: +91 (22) 26730799/26730843
Fax: +91 (22) 26730152
Email: mailmanager@karvy.com

Management Team

Francois Carpentier, Vice Chairman & Managing Director
S.M. Momaya, Whole-time Director & Chief Financial Officer
Amaresh Singh, Country Human Resources Director
Rachana Panda, Country Communications Director
Hiren Vyas, Country Legal Director
Ashish Ohri, Director - India IT SSC Country Representative
Anup K Malhotra, Director - Quality & EHS
Ravi Kapoor, Director - Thermal Service
Shivanand Nimbargi, Director - Boilers & International Vice
President – Coal Mills
Peter Kunz, Director - Thermal Systems - Gas Execution Centre Delhi
Christian Mennesson, Director - Environmental Control Systems
S. Swaminathan, Director - Thermal Product Rotating Machines
Jojo Alexander, Director - Transport
Alain Spohr, Director - Hydro
K. K. Bedi, Regional Director - Energy Management Business

Corporate Office

IHDP Building, Plot No.7, Sector 127,
Noida- 201301, Uttar Pradesh

Works

Coimbatore
Durgapur
Shahabad
Vadodara

Marketing/Other Offices

Bengaluru
Chennai
Hyderabad
Kolkata
Mumbai
Nagpur
New Delhi
Noida
Korba
Vadodara
Varanasi

Chairman's Letter

Dear Shareholders,

It is always a pleasure to communicate with you and on this occasion present the 18th Annual Report on the performance of the Company during the year 2009-2010.

With the active support of its parent, the Alstom Group, your Company continues to offer a range of products and services in the power and transport sectors. In the power sector your Company is engaged in the business of engineering, procurement, construction and servicing of power plants and power equipment wherein our customers enjoy the most economical, environmentally friendly, advanced and innovative technologies. In the transport sector, your Company has the capability to supply traction equipment, signalling equipment and Train Management Solutions.

Business environment

Over the past four years, the Indian economy consistently recorded growth rates in excess of 8.5% per annum resulting in rapidly increasing infrastructure spending. It is estimated that the Infrastructure Sector needs to grow at a CAGR of 15% over the next five years to support the growing requirements of virtually every other sector of the Indian economy. With the objective of stimulating and mobilizing increased private sector investments, from both domestic and foreign sources, the government has offered various incentives such as liberalisation of Foreign Direct Investment (FDI) Regulations, introduction of Public Private Partnerships (PPP), etc. Therefore, it is expected that there will be continuous growth of the power and transport sectors in India.

Performance

I would like to inform you that your Company has achieved revenues of Rs. 2,043 crores for the year ended 31 March 2010. Profit after tax at Rs. 167 crores is higher by 24% as compared to last year. This has resulted in higher earnings per share of Rs. 24.95 as compared to Rs. 20.13 in the previous year.

Keeping this in view your Board of Directors has recommended a dividend of Rs.10 per share on the equity shares.

I would now like to briefly highlight the two sectors in which your Company operates:

Power

India has the fifth largest generation capacity in the world with an installed capacity of 152 GW as on 30 September 2009, which is about 4 percent of global installed power generation capacity. The average per capita consumption of electricity in India is estimated to be 704 kWh during 2008-09. However, this is fairly low when compared to that of some of the developed and emerging nations such as the US with 15,000 kWh and China with 1,800 kWh per capita consumption. The Government of India has set ambitious goals in its XIth Plan for power sector owing to which the power sector is poised for significant expansion. In order to provide availability of over 1,000 kWh of per capita electricity consumption by 2012, it has been estimated that capacity addition of more than 100,000 MW would be required. This has resulted in massive addition plans being proposed in the sub-sectors of generation, transmission and distribution of electricity.

Your Company is well prepared to cater to this increased demand and has taken this into consideration while expanding the capabilities in manufacturing at its Durgapur and Vadodara factories.

Contributing towards the Indian power sector, your Company bagged various prestigious orders such as Teesta VI Hydro project, Hindalco project, Jorethang Hydro Electric project in Indian market further enhancing its presence and its commitment towards your country. Alstom has also completed its first GT26 based combined cycle power plant in India for Gujarat State Electricity Corporation Limited (GSECL). Located in Surat in the Western State of Gujarat, the 370 MW power plant is an extension of GSECL's existing 135 MW plant.

Transport

Indian Railways, once described as a financially unviable organization by industry experts, has made a dramatic turnaround in the last few years resulting in huge opportunities in various areas of freight and passenger transport.

This “rebirth” is a result of higher private participation in the area by different industrial giants. Apart from persuading private participants, the Indian Railways is looking to bolster its revenues through the use of technology and investment in port connectivity and rail infrastructure. The list of opportunities in the Railways sector is evident in areas like infrastructure, tourism, signaling and communications thereby attracting major industry players to benefit by investing in them.

The Indian Railways has resolved to build 25,000 km of new lines by 2020, which translates into an average of 2,500 km of new lines per year. Also, investment in the Railways can prove to be a stepping stone for India’s better supply chain management. This will not only help the economy grow at a faster pace but also attract better business opportunities. With foreign markets getting saturated and overseas investors looking towards India as one of the most sustainable and profitable business hubs, the above developments in the Railways are sure to bring India better returns on investment.

With the signing of the contract to supply the signalling system with the Bangalore Metro Rail Corporation Ltd (BMRCL), we have added one more key customer in this sector in addition to Delhi Metro Rail Corporation and Indian Railways. With the advent of several new metro and Indian Railway opportunities, your Company will be in a position to increase the volume of its current activities in the business.

Environment, Health & Safety (EHS)

In Alstom, we consider with great importance, the health and safety of our employees, customers and stakeholders. In India, various initiatives such as training programs on safety issues and mock drills have been conducted in all the locations to increase EHS (Environment, Health, and Safety) awareness amongst the employees.

Corporate Social Responsibility

Alstom employees have long campaigned alongside local partners around the world to improve the quality of life in the local communities neighbouring its plants, sites and corporate offices. The Alstom Foundation was set up in November 2007 in Paris, France, to help bolster these initiatives, focusing on concrete campaigns to protect the environment. Taking the first step towards “Supporting the Local Community and Preserving the Environment” in India, Alstom Foundation inaugurated a “Green Orphanage” financed by it dedicated to 40 disadvantaged girls. Located in Chamrajanagar district of Karnataka, it is one of the first multi-dimensional projects in India, serving the dual purpose of environmental responsibility and social responsibility.

During the inauguration of India’s first GT26 based CCPP in Gujarat, your Company donated an amount of Rs. 11 lacs towards the noble cause of “Kanya Kelawani” (means providing Education to the girl child), to a mission in Gujarat to ensure that the girl child gets her due right.

Acknowledgements

Last but not the least I take this opportunity to thank and congratulate all employees of your Company for their unstinting efforts to ensure continued good results for the Company. I must also thank all shareholders for their continuous encouragement and support. Finally, I also thank Alstom Group for providing their continuous support as always.

With regards,

Sunand Sharma
Chairman
ALSTOM Projects India Limited

ALSTOM PROJECTS INDIA LIMITED

Notice to Members

NOTICE is hereby given that the 18th Annual General Meeting of the Members of ALSTOM Projects India Limited will be held on Wednesday, July 21, 2010, at 3.00 p.m. at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2010 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Sunand Sharma, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. K. Thiagarajan, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
5. To appoint Messrs. Price Waterhouse, Chartered Accountants, as Statutory Auditors of the Company and to authorise the Board to fix their remuneration.
6. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT Mr. Francois Carpentier who was appointed as an Additional Director by the Board of Directors of the Company at its Board Meeting held on April 28, 2010, pursuant to Article 153 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 to hold office upto the date of 18th Annual General Meeting and in respect of whom the Company has received a notice along with the deposit of Rs. 500/- from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act, or any re-enactment, amendment or modification thereto and subject to the approval of the Central Government, as may be required and such other recommendations, approvals, sanctions if and when necessary, desirable and expedient in law, Mr. Francois Carpentier, be and is hereby appointed as the Managing Director of the Company for a period of three years with effect from April 28, 2010 upon such terms and conditions as set out in the draft Agreement laid before this meeting, which Agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed upon by and between

the Board of Directors and Mr. Francois Carpentier within and in accordance with the limits prescribed in Schedule XIII to the Act, or any amendment to the Schedule or the Act or any re-enactment thereof and if necessary as may be agreed to between the Central Government and the Board of Directors as may be acceptable to Mr. Francois Carpentier.

RESOLVED FURTHER THAT subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Act, the remuneration payable to Mr. Francois Carpentier as Managing Director by way of salary, exgratia payment or commission, perquisites and other allowances, shall not exceed five percent of the net profits of the Company for one such Director and if there are more than one such Director, ten percent of such net profits for all of them together in that financial year.

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary, perquisites and other allowances as set out under item no. 6 of the Explanatory Statement annexed to this notice as minimum remuneration subject to the approval of the Central Government and such other recommendations, approvals, sanctions, if and when necessary."

7. 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, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') read with Schedule XIII to the Act, or any re-enactment, amendment or modification thereto and subject to the approval of the Central Government, if necessary, and such other recommendations, approvals, sanctions as may be necessary, desirable and expedient in law, Mr. S.M. Momaya be and is hereby re-appointed as the Whole-time Director and Chief Financial Officer of the Company for a period of three years with effect from May 17, 2010, upon such terms and conditions as set out in the draft Agreement laid before this meeting and which Agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said reappointment and/or Agreement, in such manner as may be agreed upon by and between the Board of Directors and Mr. S.M. Momaya within and in accordance with the limits prescribed in Schedule XIII to the Act or any amendment thereto and if necessary as may be agreed to between the Central Government and the Board of Directors as may be acceptable to Mr. S.M. Momaya.

RESOLVED FURTHER that subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Act, the remuneration payable to Mr. S.M. Momaya as Whole-time Director and Chief Financial Officer by way of salary, exgratia payment or commission, perquisites and other allowances, shall not exceed five percent of the net profits of the Company for one such Director and if there are more than one such Director, ten percent of such net profits for all of them together in that financial year.

RESOLVED FURTHER that notwithstanding anything herein above stated, where in any financial year during the currency of his tenure as Whole-time Director and Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay the remuneration by way of salary and perquisites as set out under item no. 7 of the Explanatory Statement annexed to this notice as minimum remuneration subject to the approval of the Central Government and such other recommendations, approvals, sanctions, if and when necessary.”

By Order of the Board of Directors

Sekhar Bhattacharjee
Company Secretary

Place: Noida

Date: April 28, 2010

Registered Office:

‘The International’, 5th Floor,
16, Marine Lines Cross Road No.1,
Off Maharshi Karve Road, Churchgate,
Mumbai - 400 020.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The Register of Members and the Transfer Books of the Company will remain closed from Tuesday, July 13, 2010 to Wednesday, July 21, 2010 (both days inclusive) for the purpose of payment of dividend.

4. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to item Nos. 6 and 7 is annexed hereto.

5. Members holding shares in physical form are requested to intimate, indicating their respective folio number, the change of their addresses, the change of Bank

Accounts, etc. to Messrs. Karvy Computershare Private Limited (Karvy), Unit: ALSTOM Projects India Limited, 7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai 400053, the Registrar and Transfer Agents of the Company, while members holding shares in electronic form may write to their respective Depository Participant for immediate updation, so as to enable the Company to despatch dividend warrants to the correct address.

6. Members who hold shares under more than one folio in name(s) in the same order are requested to send the relevant share certificate(s) to Karvy for consolidating the holdings into one account. The share certificate(s) will be returned by Karvy after consolidation.

7. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting. The attendance slip is sent with the Annual Report.

8. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after July 26, 2010 to those members whose names stand registered on the Company’s Register of Members:

a) as Beneficial Owners as at the close of business hours on July 12, 2010 as per the list to be furnished by National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and

b) as Members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company before July 13, 2010.

9. Members are advised to avail the facility for receipt of future dividends through Electronic Clearing Service (ECS). The ECS facility is available at the locations identified by Reserve Bank of India and State Bank of India from time to time which covers most of the cities and towns. Members holding shares in dematerialised mode are requested to contact their respective Depository Participant (DP) for availing ECS facility. Members holding shares in physical form and who have not submitted the ECS details and desirous of availing ECS facility are requested to send to the Company or to Karvy the details such as: the name of the Shareholder, Bank through which account held, Bank Account number and MICR details immediately and wherever possible the request shall be acceded to.

10. Please encash your Dividend Warrants immediately on their receipt by you, as dividends remaining unclaimed for seven years are required to be transferred to the ‘Investor Education and Protection Fund’ established by the Central Government under the provisions of the Companies Act, 1956, and you shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter. In accordance with this regulation, the transfer of unclaimed dividend pertaining to the year under review to Investor Education and Protection

Fund will take place in the year 2017-18. Unclaimed dividend for the financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 are lying with the Company. Members who have not yet encashed the dividend warrants for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 are requested to contact the Company's Registrar and Share Transfer Agent – Karvy at the earliest; since no claim shall lie against the Company or the Investor Education and Protection Fund after the amount of unclaimed dividend as on October 11, 2010, August 22, 2011, September 05, 2012, September 02, 2013, August 31, 2014, August 31, 2015, August 30, 2016 and August 27, 2017 respectively becomes eligible for transfer to the Investor Education and Protection Fund.

11. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be made available at the Meeting.
12. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar (Karvy). Blank forms will be supplied on request. In case of shares held in demat form, the nomination has to be lodged with their DP.
13. Members are requested to bring the copy of the Annual Report to the Annual General Meeting.
14. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are appointed or re-appointed are given in the Corporate Governance Section.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 6

The Board of Directors at their meeting held on April 28, 2010 appointed Mr. Francois Carpentier as an Additional Director of the Company with effect from April 28, 2010 and as the Managing Director of the Company for a period of three years with effect from April 28, 2010.

The appointment of Mr. Francois Carpentier as the Managing Director is subject to the approval of the Central Government and approval of the shareholders. The Company shall file necessary application seeking approval from the Central Government for appointment of Mr. Francois Carpentier as Managing Director of the Company.

The draft Agreement between the Company and Mr. Francois Carpentier, inter alia, contains the following terms and conditions:

1. The Company shall employ Mr. Francois Carpentier and Mr. Francois Carpentier shall serve the Company as its Managing Director for a period of three years from April 28, 2010 in accordance with Section 269 read with Schedule XIII and all other applicable provisions of the Act, subject to employment being determined in pursuance to any of the provisions of this Agreement.
2. In respect of such orders and directions as may from time to time be given to him by the Board of Directors of the Company (the Board), all such orders and directions Mr. Francois Carpentier shall, promptly and faithfully obey, observe and comply with in all respects and subject also to such restrictions as the Board may in its sole and uncontrolled discretion from time to time impose on him. Mr. Francois Carpentier shall have the management of whole of the affairs of the Company with power to appoint and dismiss employees of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the Company.
3. During his employment under this Agreement, Mr. Francois Carpentier shall use his best endeavours to promote the interest and welfare of the Company.
4. During the period of his employment, Mr. Francois Carpentier shall whenever required by the Company undertake such travelling in India and elsewhere as the Board may from time to time direct in connection with or in relation to the business of the Company.
5. The Company shall in consideration of the performance of his duties, pay to Mr. Francois Carpentier during the continuance of this Agreement, the following remuneration:
 - (i) Salary of Rs. 4,88,513/- (Rupees Four Lacs Eighty Eight Thousand Five Hundred and Thirteen only) per month.
 - (ii) In addition to the salary, he will be entitled to one time Settling-in Allowance and Mobility premium as per Company's policy.
6. In addition to salary and commission, the following perquisites shall be allowed to Mr. Francois Carpentier
 - (i) Housing: Mr. Francois Carpentier shall be entitled to rent free furnished residential accommodation.
 - (ii) Other allowances as per company rules as applicable to Mr. Francois Carpentier.
 - (iii) In case no accommodation is provided by the Company, Mr. Francois Carpentier shall be entitled to house rent allowance as may be approved by the Board of Directors.
 - (iv) Security at residence.
 - (v) Reimbursement of electricity and gas charges.
 - (vi) Coverage for self and family under the Company's mediclaim policy.

- (vii) Leave travel concession (Home Leave) for Mr. Francois Carpentier and family once in a year incurred in accordance with the Rules specified by the Company.
- (viii) Fees of clubs subject to a maximum of two clubs.
- (ix) Personal Accident Insurance as per the Rules of the Company.
- (x) Provision of a car including fuel and maintenance expenses with driver for business as well as personal purposes.
- (xi) Communication facilities.
- (xii) Annual performance bonus as per the rules of the Company.

Explanation: "Family" means the spouse and the dependent children.

7. Mr. Francois Carpentier shall also be paid the following perquisites which shall not be included in the computation of the ceiling on the remuneration in the event the Company has no profit or its profits are inadequate in any financial year during the aforesaid period.

Earned/Privilege Leave including encashment of accumulated leave on repatriation as per rules of the Company.

Notwithstanding anything herein above, where in any financial year, during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the approval of the Central Government, if and when necessary and the difference between the aforesaid minimum remuneration and minimum remuneration as specified in Schedule XIII to the Act, shall be paid after receipt of the Central Government approval based on such recommendations as may be statutorily required.

8. In the event of any statutory amendment or modifications or relaxation by the Central Government to Schedule XIII to the Act, or any re-enactment thereof, the terms and conditions of the said re-appointment and/or the Agreement may be altered, modified, amended or varied, from time to time by the Board of Directors as it may, in its discretion, deem fit, so as not to exceed the limits specified in Schedule XIII to the Act or any re-enactment or amendments or modifications thereto.
9. Mr. Francois Carpentier shall be entitled to :
- (a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
 - (b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad

exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.

10. As long as Mr. Francois Carpentier functions as the Managing Director he shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.
11. Mr. Francois Carpentier shall be entitled to benefit under Stock Option Scheme(s), Stock Attribution Scheme(s), Share purchase Scheme(s), Share Preferential Allotment Scheme(s) and such other similar scheme(s) by the Company or ALSTOM, France as may be announced from time to time.
12. As long as Mr. Francois Carpentier functions as Managing Director, he shall not be subject to retirement by rotation.
13. Mr. Francois Carpentier shall not, during the term of this Agreement with the Company, engage himself either directly or indirectly or be interested in any capacity whatsoever or render assistance to any firm, Company or persons whatsoever whether a manufacturer, dealer or trader in goods or products which are of the same or similar kind and nature as those of the Company.
14. As long as Mr. Francois Carpentier functions as Managing Director, he shall not become interested or otherwise concerned directly or through his wife and/or minor children, in any selling agency of the Company in future without the prior approval of the Central Government.
15. Mr. Francois Carpentier shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr. Francois Carpentier shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from so doing PROVIDED HOWEVER that such divulgence or disclosure by Mr. Francois Carpentier to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be a contravention of this Clause.
16. If Mr. Francois Carpentier shall at any time be prevented by ill-health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply with such details as it may be reasonably required, and if he shall be unable by reason of ill-health or accident or disability for a period of 180 days in any period of twelve consecutive calendar months, to perform his duties hereunder, the Company may forthwith terminate his employment hereunder.

17. The Company shall be entitled to terminate Mr. Francois Carpentier's employment as Managing Director and/or his office as Director forthwith, if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be Director or a Managing Director of the Company.
18. In case of Mr. Francois Carpentier death in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
19. If Mr. Francois Carpentier is guilty of inattention to or negligence in the conduct of the business or any other act or omission inconsistent with his duties as the Managing Director or any breach of this Agreement, which, in the opinion of the Board, renders his retirement from office of Managing Director desirable, the Company by not less than ninety days notice in writing to Mr. Francois Carpentier determine this Agreement and upon the expiration of such notice Mr. Francois Carpentier shall cease to be a Director of the Company.
20. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement at anytime by giving to the other party 180 days notice in writing in that behalf, without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and in view thereof and as a consequence of such termination by notice Mr. Francois Carpentier shall cease to be a Director of the Company.
21. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as may be permissible as it deems fit, subject to the provision of the Act, or any re-enactment or any amendments or modification thereto.
22. The Agreement shall represent the entire agreement between the parties hereto on the subject matter with effect from April 28, 2010 hereof and shall cancel and supersede all prior agreements, arrangements or understandings, if any, whether oral or in writing, between the parties hereto on the subject matter hereof with effect from April 28, 2010.

This is considered as an abstract under Section 302 of the Act, of the terms and conditions of the appointment of Mr. Francois Carpentier as the Managing Director of the Company

The Company has also received a notice in writing from a member under Section 257 of the Act, signifying his intention to propose the name of Mr. Francois Carpentier for appointment as a Director of the Company.

The proposed business at item no. 6 of the Notice of this meeting is intended to seek your approval. Your Directors recommend the approval of the Special Resolution in the interest of the Company.

Except Mr. Francois Carpentier, none of the Directors is, in any way concerned or interested in the Resolution at this item of the accompanying notice.

The draft Agreement to be executed between the Company and Mr. Francois Carpentier will be open for inspection by the members at the registered office of the Company on any working day between 11.00 a.m. to 1.00 p.m.

Item No. 7

Mr. S.M. Momaya was appointed as the Whole-time Director and Chief Financial Officer of the Company for a period of three years with effect from May 17, 2004. He was re-appointed as the Whole-time Director and Chief Financial Officer of the Company for a further period of three years with effect from May, 2007; his term as Whole-time Director and Chief Financial Officer of the Company is to expire on May 16, 2010.

The Board of Directors at their meeting held on April 28, 2010 passed a resolution for re-appointment of Mr. S.M. Momaya for a further period of three years on the remuneration and the terms and conditions as set out in the draft Agreement, subject to necessary approvals as and when required. The said remuneration is well within the limits specified by Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956.

The draft Agreement between the Company and Mr. S.M. Momaya interalia contains the following terms and conditions:

1. The Company shall employ Mr. Momaya and Mr. Momaya shall serve the Company as its Whole-time Director and Chief Financial Officer for a period of three years from May 17, 2010 to May 16, 2013 in accordance with the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956, subject to the employment being determined in pursuance of any of the provisions of this Agreement.
2. As Whole-time Director and Chief Financial Officer, Mr. Momaya shall perform such duties and exercise such powers as are entrusted to him from time to time by the Managing Director and in his absence by the Board of Directors of the Company (hereinafter referred to "the Board"). He shall report to the Managing Director and he shall be responsible for all actions relating to the business of the Company to the Managing Director and in his absence to the Board and shall promptly and faithfully obey and observe such orders and directions as may from time to time be given to him by the Managing Director and in his absence by the Board.
3. During his employment under this Agreement, Mr. Momaya shall devote his whole time and attention during business hours to the business of the Company as may be necessary or required and shall use best endeavours to promote its interest and welfare.
4. During the period of his employment, Mr. Momaya shall whenever required by the Company, undertake such