

Board of Directors

H Lakshmanan, *Chairman*
S I Jaffar Ali
Martin Grammer
C N Prasad

President - New projects

S Thiagarajan

President

A G Giridharan

Secretary & Compliance Officer

S Srinivasan

Audit Committee

H Lakshmanan, *Chairman*
S I Jaffar Ali
C N Prasad

Investors' Grievance Committee

H Lakshmanan, *Chairman*
S I Jaffar Ali
C N Prasad

Remuneration Committee

H Lakshmanan, *Chairman*
S I Jaffar Ali
C N Prasad

Bankers

State Bank of India
Industrial Finance Branch
Anna Salai, Chennai 600 002
State Bank of Mysore
Industrial Finance Branch
Anna Salai, Chennai 600 006

Auditors

Sundaram & Srinivasan
Chartered Accountants,
No. 23, Sir C.P. Ramaswamy Road,
Alwarpet, Chennai 600 018.

Shares listed with

Madras Stock Exchange Ltd.
Bangalore Stock Exchange Ltd.
National Stock Exchange of (India) Ltd.

Share Transfer Agent

Sundaram-Clayton Limited
New No. 22, Old No. 31,
Railway Colony, 3rd Street.
Mehta Nagar, Chennai - 600 029
Tel : 044 - 2374 1889, 2374 2939
Fax : 044 - 2374 1889
E-mail: investorscomplaintsstata@scl.co.in
ss.srinivasan@haritaseating.com

Registered Office

"Jayalakshmi Estates"
No.29 (Old No.8) Haddows Road
Chennai - 600 006
Tel.: 044-28272233 Fax: 044-28257121

Works

Belagondapalli, Thally Road,
Hosur - 635 114, Tamilnadu
Tel : 04347-233445 Fax : 04347-233460

Plot A2 MIDC Industrial area
Ranjangaon, Koregaon village
Shirur taluk, Pune District
PIN - 412 210
Maharashtra
Tel : 02138-660742

Chaurasia Road, Pargana Plassi
Village Bhatian, Thesil Nalagarh
Solani District, PIN - 174 101
Himachal Pradesh
Tel : 01795-220562

Plot No. 116, 117, 125 A
Bommasandra Industrial Area
Bangalore - 560 099
Karnataka
Tel : 080 27832851 Fax : 080 27832853

Web site :

www.haritaseating.com

Subsidiary Company

Harita Polymer Limited

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Financial Highlights

(Rupees in lakhs)

Year ended	2003	2004	2005	2006	2007	2008	2009
Profit & Loss Account							
Sales	7873.25	9202.06	11798.82	13736.82	15547.33	19104.87	19,625.18
Other income	48.71	90.81	117.93	143.80	149.41	271.76	200.31
Total income	7921.96	9292.87	11916.75	13880.62	15696.74	19376.63	19,825.49
Gross profit before							
Interest, depreciation & tax	730.09	894.03	987.92	1292.85	1363.01	1772.58	334.09
Depreciation	174.99	212.76	269.39	315.28	386.34	532.93	696.92
Profit / (Loss) before Interest & tax	555.10	681.27	718.53	977.57	976.67	1239.65	(362.83)
Interest	10.11	0.35	0.28	31.78	75.75	286.90	428.10
Profit / (Loss) before taxation	544.99	680.92	718.25	945.79	900.92	952.75	(790.93)
Profit / (Loss) after taxation	341.80	437.69	451.78	638.79	583.92	641.25	(892.09)
Balance Sheet							
Net fixed assets	1329.35	1564.07	1878.80	2337.96	4380.64	5546.86	7,999.88
Investment	0.06	661.12	367.96	407.87	350.00	437.38	259.85
Net Current Assets	924.23	305.29	598.89	1420.19	1866.44	725.77	5,217.27
Total	2253.64	2530.48	2845.65	4166.02	6597.08	6710.01	13,477.00
Share Capital	388.45	388.45	388.45	388.45	388.45	776.90	776.90
Reserves & Surplus	1464.20	1767.96	2082.72	2522.17	2902.57	2930.94	2,055.78
Net Worth	1852.65	2156.41	2471.17	2910.62	3291.02	3707.84	2,832.68
Loan Funds	265.25	240.10	220.04	1091.96	3125.62	2639.73	10,200.03
Deferred tax liability	135.74	133.97	154.44	163.44	180.44	362.44	444.29
Total	2253.64	2530.48	2845.65	4166.02	6597.08	6710.01	13,477.00
Earnings per share (Rs.)	8.80	11.20	11.75	16.44	15.03	•8.25	(11.48)
Dividend per share (Rs.)	2.50	3.00	3.20	4.50	4.50	2.50	–
Book value per share (Rs.)	47.69	55.51	63.62	74.93	84.72	47.73	36.46
Return on capital employed % (ROCE)*	27.80	30.40	28.40	25.80	18.70	19.40	(2.69)
Return on net worth % (RONW) **	19.70	21.80	19.50	23.70	18.80	18.30	(27.28)
Fixed asset turnover (No. of times) #	6.29	6.36	6.85	6.52	4.63	3.85	2.90
Working capital turnover (No. of times)@	7.91	14.97	26.10	13.61	9.46	14.74	6.60
Gross profit as % of total income	9.20	9.60	8.30	9.30	8.70	9.10	1.70
Profit / (Loss) before tax as % of total income	6.90	7.30	6.00	6.80	5.70	4.90	(4.00)

* ROCE is profit before interest and taxation divided by average networth plus loan funds.

** RONW is profit after tax divided by average networth.

Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.

@ Working capital turnover is sales divided by average net current assets as at the end of the year.

• Adjusted for bonus issue.

Notice to the shareholders

NOTICE is hereby given that the Thirteenth annual general meeting of the shareholders of the Company will be held at Mini Hall of Narada Gana Sabha at No.314 (Old No.254) TTK Road, Chennai 600 018 on Monday, the 7th September 2009 at 10.15 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT the audited balance sheet as at 31st March 2009 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting be and the same are hereby approved and adopted."

2. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Martin Grammer, director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company."

3. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT the retiring auditors, Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed in this behalf by the board of directors of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

"RESOLVED THAT, in partial modification of the resolution passed by the shareholders of the Company at the annual general meeting held on 7th August, 2008, subject to the provisions of sections 386 and 388 read with section II of Part II of the Schedule XIII and other applicable provisions of the Companies Act, 1956, (the Act) the Company may pay the remuneration including salary, perquisites and other

allowances/benefits upto Rs.48 lakhs per annum as minimum remuneration payable to Mr S Thiagarajan, as manager of the Company, proportionately for the period commencing from 1st April 2008 to 10th November 2009 with an authority to the board of directors or any committee thereof (the board), to decide the quantum of remuneration payable under each head as agreed to between the board and Mr S Thiagarajan, when the Company has, during any financial year, no profits or the profits of the Company are inadequate during the currency of his tenure mentioned hereinabove."

"RESOLVED FURTHER THAT any excess remuneration drawn by or paid to him over and above the ceiling limit prescribed under sub-section 1(B) of section II of Part II of Schedule XIII of the Act, due to any change in the "effective capital" of the Company during any financial year, calculated in accordance with the Explanation I to section II of Part II of the Schedule XIII of the Act shall be refunded by him and for this purpose, the Company shall effect recovery from the month following the month in which the annual accounts disclosing the loss or inadequacy of profits are approved by the board in its meeting held pursuant to section 217 of the Act."

"RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr S Thiagarajan as manager for the purpose of the Act as approved by the shareholders of the Company at the annual general meeting of the Company held on 7th August, 2008 shall remain unchanged."

"RESOLVED FURTHER THAT any one of the directors of the Company or the company secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolutions."

5. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

"RESOLVED THAT, subject to the provisions of section 269 read with sections 386,387 and 388 and Schedule XIII of the Companies Act, 1956 (the Act) and such other applicable provisions, if any of the Act, Mr. A G Girdharan, President be and is hereby appointed as manager, for the purpose of the Act for a period of 3 years commencing

from 11th November 2009, on such terms and conditions of his appointment and remuneration, as per the agreement entered into between him and the Company, a copy of which is placed before this meeting and initialled by the chairman for the purpose of identification thereof, with the powers of the board of directors of the Company (the board) to determine the quantum of individual items of his remuneration, payable at such intervals, within the overall limits, for each financial year so as not to exceed 5% of the net profits of the Company, calculated in accordance with the provisions of section 349 and 350 of the Act notwithstanding his holding the office of manager in M/s. Sundaram Auto Components Limited, drawing no remuneration therefrom, be and are hereby approved."

"RESOLVED FURTHER THAT the remuneration within the aforesaid limits, payable to Mr. A G Giridharan, President as manager under the Act, for a period of three years from 11th November 2009, subject to the condition that the board, from time to time, may determine the quantum of individual items of his remuneration for each financial year not exceeding the maximum limits specified in each category as follows, be and is hereby approved."

- (1) Salary and commission on profits or performance linked incentive or bonus:

Subject to a ceiling of Rs.24 lakhs per annum

- (2) Perquisites and allowances:

Perquisites like unfurnished accommodation / house rent allowance, conveyance allowance, medical reimbursement, leave travel assistance for self and family, club fees, medical / personal accident insurance premia and other benefits or amenities, in aggregate restricted to a sum not exceeding Rs.24 lakhs per annum; and

Provision of telephone at residence including payment of local calls and long distance calls shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling.

Personal long distance calls on telephone for private purposes shall be recovered by the Company.

- (3) Contribution to statutory funds:

Company's contribution to provident fund not exceeding 12% of the salary or such

other percentage of the salary as may be fixed by the Central Government from time to time; and Gratuity as per the rules of the Company.

Company's contribution to provident and gratuity funds, shall not be included for computation of limits of perquisites and allowances as aforesaid.

- (4) Pension benefits:

Entitled to pension, if any, payable after retirement, as per the rules of the Company

"RESOLVED FURTHER THAT the salary, commission on profits or performance linked incentive, perquisites and other allowances/benefits, contributions payable at such quantum and such intervals, as may be decided by the board, from time to time, for each financial year, in aggregate, shall always be well within the limits prescribed under section 387 read with Schedule XIII of the Act."

"RESOLVED FURTHER THAT pursuant to section II of Part II of Schedule XIII of the Act and other applicable provisions of the Act, in the event of loss or inadequacy of profits in any financial year, the board, may revise the remuneration payable to Mr. A G Giridharan, President, as manager during such financial year in such manner, as may be agreed to between the board and Mr. A G Giridharan, President within the limits prescribed in this behalf or the Company may pay the remuneration exceeding the limits as set out in section II of Part II Schedule XIII of the Act, subject to such approvals, if required under the Act, including the approval of the Central Government during any financial year during the currency of his tenure mentioned hereinabove."

"RESOLVED FURTHER THAT Mr. A G Giridharan, President as manager of the Company, shall be subject to the superintendence, control and directions of the board and he shall have all such powers, duties and responsibilities in terms of the provisions of the Act and that may be vested in him by the board, from time to time."

By order of the Board

Chennai
27th July 2009

S. Srinivasan
Secretary

Registered office:
"Jayalakshmi Estates"
29, Haddows Road
Chennai 600 006

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 the proxy or proxies so appointed need not be a member or members as the case may be of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.

2. The explanatory statement, pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business nos.4 and 5 as set out above, is annexed hereto.

3. The register of members and the share transfer books of the Company will remain closed from Thursday, the 3rd September 2009 to Monday, the 7th September 2009 (both days inclusive).

4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company which remain unclaimed for a period of seven years will be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government on the due dates. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on corporate governance forming part of the annual report.

Members, who have not encashed their dividend warrants, are requested to make their claims by surrendering the unencashed warrants immediately to the Company.

5. Members holding shares in physical form, in their own interest, are requested to dematerialise the shares to avail the benefits of electronic holding / trading.

6. Members are requested to notify to the Company immediately any change in their address. Members holding shares in depository are requested to advise change of address to their depository participants.

7. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the annual report to the meeting.

8. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.

9. In terms of clause 49(IV)(G) of the Listing Agreement with the stock exchanges, a brief resume of the director, who is proposed to be re-appointed in this meeting, nature of his expertise in specific functional areas, his other directorships and committee memberships and his shareholdings and relationships with other directors in the Company are given below:

Mr Martin Grammer

Born on 5th June, 1960 in Amberg, Germany, Mr Martin Grammer holds a degree in Business Economics from University Nuremberg, Germany. He was co-opted as a director by the board on 21st January 2004.

He has vast experience in international marketing and consultancy areas. He has served in internationally renowned companies which include Magna International Inc., Toronto, Canada, a leading supplier to the global automotive industry and Roland Berger & Partner, a leading international management consultant in Germany and Europe.

He held the position as managing director and member of Executive Committee Board of Grammer AG, Germany for ten years, a leading supplier to the global automotive industry. During 2003 - 2008, he served as a member of the board of directors of GHE S.p.A, Milano, Italy, a leading supplier of European bus and train interiors industry with manufacturing locations in Italy, Germany, Spain, UK, Czech Republic and Mexico.

He does not hold any position as a director in any Indian company or a member of any committee of directors of any other company and he is not related to any other directors of the Company.

He holds 10,87,600 equity shares of the Company.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

The following explanatory statement sets out all the material facts relating to the special businesses mentioned in the accompanying notice dated 27th July 2009 and shall be taken as forming part of the notice.

Item no. 4

Mr S Thiagarajan, President of the Company was appointed as "Manager" for the purpose of the Companies Act 1956 (the Act) for a period of five years from 1st December 2007 in terms of the agreement entered into with him by the Company, subject to the approval of the shareholders of the Company in the annual general meeting of the Company.

The shareholders of the Company also approved the terms and conditions of his appointment and remuneration vide resolution passed at the annual general meeting of the Company held on 7th August 2008 with the overall limit of Rs.75 lakhs, *inter alia*, comprising of –

- (i) Salary and commission on profits or performance linked incentive or bonus, subject to a ceiling of Rs.50 lakhs per annum;
- (ii) Perquisites and allowances, i.e perquisites like unfurnished accommodation / house rent allowance, conveyance allowance, medical reimbursement, leave travel assistance for self and family, club fees, medical / personal accident insurance premia and other benefits or amenities, in aggregate restricted to a sum not exceeding Rs.25 lakhs per annum;

The shareholders of the Company also conferred powers upon the board to determine the quantum of individual items of his remuneration for each financial year, subject to a ceiling of 5% of the net profits of the Company, calculated in accordance with the provisions of section 349 and 350 of the Act.

Considering his contribution to the growth of the Company, the board has fixed a overall limit of Rs.58 lakhs and he was paid a remuneration of Rs.51.77 lakhs for the year ended 31st March 2009.

The Company incurred a loss for the first time during the year ended 31st March 2009, due to

- (a) severe increase in input costs, arising out of increase in prices of steel, crude and other chemicals, which could not be passed on to the customers;
- (b) general recession in the industry; and
- (c) sudden sharp drop in demand in the second half of the financial year 2008-2009.

Having regard to the fact that the loss brought about by external and uncontrollable factors and considering the level of remuneration package offered by the Company, in comparison with the prevailing levels in the corporate sector, the board considered the extent of remuneration permissible to protect the managerial remuneration for payment of maximum remuneration, by following the procedures laid down for payment of the minimum remuneration for the year 2008-2009 consequent to the loss suffered by the Company.

The board, accordingly, revised Mr S Thiagarajan's remuneration to Rs. 48 lakhs per annum, payable proportionately for the period commencing from 1st April 2008 to 10th November 2009, based on the recommendation of the remuneration committee of directors, being the minimum remuneration payable to him in the event of inadequacy of profits or loss in any subsequent financial year, subject to the approval of the shareholders by way of a special resolution in terms of the applicable provisions of the Act.

This limit has been arrived at based on the "effective capital" of the Company as of 31st March 2009 in accordance with section II of Part II of Schedule XIII of the Act.

However, in the event of normal profits in any subsequent financial year, his terms of remuneration shall be governed by the resolution passed by the shareholders of the company at the annual general meeting held on 7th August, 2008.

The directors, therefore, recommend the resolution as set out in item no. 4 of the notice to be approved,

as a special resolution, by the shareholders of the Company.

This may be treated as an abstract of the variation of the terms of the agreement between the company and Mr S Thiagarajan, manager, pursuant to section 302 of the Act.

None of the directors is deemed to be interested or concerned in the resolution.

Item no. 5

Mr S Thiagarajan, President of the Company, was appointed as "Manager" for the purpose of the Act for a period of five years from 1st December, 2007 in terms of the agreement entered into with him by the Company, which was also approved by the shareholders of the Company at the annual general meeting held on 7th August 2008.

Mr S Thiagarajan will be retiring from the services with effect from 10th November 2009 and hence, it is proposed to appoint Mr A G Giridharan, President as "Manager" for the purpose of the Act, on such remuneration as set out in detail in the resolution in item No.5 of the notice, for a period of three years from 11th November 2009 in terms of the agreement entered into with him by the Company, subject to the approval of the shareholders of the Company in the ensuing annual general meeting of the Company.

Mr A G Giridharan, President is also a manager of M/s. Sundaram Auto Components Limited, where he was appointed as a manager effective 1st April 2009 without remuneration. His appointment as manager of this Company is in compliance with the provisions

of section 386 of the Act, permitting him to hold such position in two companies.

The directors, therefore, recommend the resolution as set out in item no.5 of the notice to be approved as a special resolution, by the shareholders of the Company.

This may be treated as an abstract of the terms of the agreement between the Company and Mr A G Giridharan, manager, pursuant to section 302 of the Act.

None of the directors is deemed to be interested or concerned in the resolution.

Inspection of documents:

Copies of the resolutions passed by the remuneration committee of directors on 14th July 2009 and the board on 27th July 2009 and the agreement entered into between the Company and Mr S Thiagarajan and the agreement entered into between the Company and Mr. A G Giridharan are available for inspection at the registered office of the Company between 10.00 AM and 12.00 PM on all working days except Saturdays.

By order of the Board

Chennai
27th July 2009

S. Srinivasan
Secretary

Registered office:
"Jayalakshmi Estates"
29, Haddows Road,
Chennai 600 006

ANNEXURE FORMING PART OF THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION II (1)(B) OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956

I GENERAL INFORMATION					
1	Nature of Industry	Auto ancillary industry - The Company is engaged in the manufacture of seat and seating systems for automotive applications.			
2	Date of commencement of Business	Pursuant to the orders of Hon'ble High Court of Madras dt 26 th September, 1996 the business and assets and liabilities of erstwhile Harita Grammer Ltd and Roloforms Polymer Ltd. were taken over by the Company effective 2.5.1997. <div>Rs.in lakhs</div>			
3	Financial Performance based on given indicators	Financial performance	2006 -2007	2007 -2008	2008 -2009
		Total Turnover	15696.74	19376.63	19825.49
		EBITDA	1363.01	1772.58	334.09
		Profit before tax	900.92	952.75	(790.93)
		Profit after tax	583.92	641.25	(892.09)
		Dividend paid (including Corporate dividend tax)	199.32	227.24	Nil
		Dividend rate	45%	25%	Nil
4	Export performance and net foreign exchange collaborations	Export performance	2006 -2007	2007 -2008	2008 -2009
	F.O.B value of exports.	842.23	1157.14	1262.29	
5	Foreign Investments or Collaborators, if any.	Mr Martin Grammer, director, representing Grammer Group holds 14% of the paid up equity capital of the Company.			
II(A) INFORMATION ABOUT THE APPOINTEE					
1	Background details	Mr S Thiagarajan is an Engineering graduate and holds Post graduate diploma in business management from IIM-Ahmedabad. He has an impressive track record spanning over 18 years in the auto industry in various functions such as manufacturing, business administration, sales and marketing, finance, besides new projects implementation etc.He has also been serving the Company as its President since 27 th November 1995 (not as a Manager under the Companies Act, 1956).			
2	Past remuneration	Salary and commission on profits or performance linked incentive or bonus subject to a ceiling of Rs.50 lakhs per annum and perquisites and other allowances upto Rs.25 lakhs as approved by the shareholders of the Company in the annual general meeting held on 7 th August,2008, with a power to board to vary the individual quantum. However, he was paid a remuneration of Rs.18.83 lakhs for the period 1 st December 2007 to 31 st March 2008.			
3	Recognition or Awards	Nil			

4	Job profile and his suitability	As President, he is in charge of the overall management of the affairs of the Company and given his qualifications and experience, he is ideally suited to ensure the growth of the business and profitability of the Company.
5	Remuneration proposed	As in the resolution and explanatory statement attached to the notice calling the annual general meeting of the Company to be held on 7 th September 2009.
6	Comparative remuneration profile with respect to industry, size of the company	The proposed remuneration is in accordance with the industry standards and has been approved by the remuneration committee and by the board of directors of the Company.
7	Pecuniary relationship	Not applicable
II(B) INFORMATION ABOUT THE APPOINTEE		
1	Background details	Mr A G Giridharan is a B.Tech (Hons.) from IIT - Kharagpur and PGDM from IIM - Calcutta. He started his career in 1990 as Management Accountant in Hindustan Lever Limited. He had served for seven years in KPMG Consulting, as Associate Director and moved on to Greaves Cotton Limited in 2002, where he was the Business Head for Agri Equipment Division. Prior to joining Sundaram-Clayton Limited in 2007 as vice-president - business planning for Automotive Products Division, he had 17 years of industrial experience.
2	Past remuneration	Mr A G Giridharan is proposed to be appointed as the Manager of the Company for the purposes of the Companies Act, 1956 effective 11 th November 2009 after the retirement of Mr S Thiagarajan, the present manager of the Company, on 10 th November 2009
3	Recognition or Awards	Nil
4	Job profile and his suitability	As the President, he will be in charge of the overall management of the affairs of the Company and given his qualifications and experience, he would be ideally suited to ensure the growth of the business and improve the profitability of the Company.
5	Remuneration proposed	As contained in the special resolution in item no.5 of the notice dated 27 th July 2009.
6	Comparative remuneration profile with respect to industry, size of the company	The remuneration proposed is comparable with similar positions in the automotive industry for the given profile of the person and nature of responsibilities.
7	Pecuniary relationship	Nil
III OTHER INFORMATION		
1	Reasons of loss or inadequate profits	The Company incurred a loss for the first time during the year ended 31 st March 2009. The unprecedented increase in the prices of commodities especially crude and steel had an impact on the raw

		material prices, which could not be passed on to the customers of the Company. Consequently, the sudden drop in demand in the second half of the year had a negative impact on the profitability. As a result, the Company incurred a loss of Rs.7.91 cr in 2008-09 against a profit of Rs.9.52 cr in 2007-08.
2	Steps taken or proposed to be taken for improvement	The Company has taken various steps to improve its performance. These include containing the cost, acquisition and consolidation of new business, productivity improvement and value engineering technologies, special focus and participation in Government sponsored social sector program-JNNURM to expand the bus passenger segment. These are discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report.
3	Expected increase in productivity and profits in measurable terms	In view of the proposed steps to improve the productivity and consequent increase in profits, it is expected that sales would improve and profit would also increase in the range of 2.5% in sales as a result of the aforesaid efforts. These are discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report
IV DISCLOSURES		
1	The shareholders of the Company shall be informed of the remuneration package of the managerial remuneration	Yes. The information has been set out in detail in the resolution and explanatory statement annexed hereto.
2	The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the Annual Report.	<p>i. <i>All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc:</i> This has been fully covered under the Corporate Governance Report.</p> <p>ii. <i>Details of fixed component and performance linked incentives along with the performance criteria:</i> As given in the resolution, performance criteria is based on the net profits as provided under the Schedule XIII of the Companies Act 1956.</p> <p>iii. <i>Service contracts, notice period, severance fees.</i> Three months' notice period</p> <p>iv. <i>Stock option details, if any, and whether the same has been issued, at a discount as well as the period over which accrued and over which exercisable.</i> Not applicable.</p>

By order of the Board

Chennai
27th July 2009

S. Srinivasan
Secretary

Registered office:
"Jayalakshmi Estates"
29, Haddows Road, Chennai 600 006