

35th Annual Report 2007-2008



Maestros Mediline Systems Limited

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BOARD OF DIRECTORS

DR. NITIN S. PARANJPE : CHAIRMAN & NON - EXECUTIVE DIRECTOR
DR. KRISHNAKUMAR MENON : MANAGING DIRECTOR
MR. BALKRISHNA TENDULKAR : EXECUTIVE DIRECTOR
MR. NARENDRA MAHAJANI : NON - EXECUTIVE DIRECTOR
DR. DHANANJAY MAHAJAN : INDEPENDENT NON - EXECUTIVE DIRECTOR
MR. KETAN SHAH : INDEPENDENT NON - EXECUTIVE DIRECTOR

REGISTERED OFFICE

PLOT NO. EL-63, TTC INDUSTRIAL AREA,
ELECTRONIC ZONE, M.I.D.C.,
MAHAPE, NAVI MUMBAI - 400 701,
MAHARASHTRA.
TEL. NO. : +91-22-2761 1286 / 1311
FAX NO. : +91-22-2762 2153
EMAIL : accounts@maestros.net
WEBSITE : www.medi-line.com, www.maestros.net

PLANT LOCATIONS

UNIT I:

PLOT NO. EL-63, TTC INDUSTRIAL AREA,
ELECTRONIC ZONE, M.I.D.C.,
MAHAPE, NAVI MUMBAI - 400 701,
MAHARASHTRA.

UNIT II:

PLOT NO. 84, SECTOR I,
INDUSTRIAL AREA, PARWANOO,
DIST. SOLAN - 173 220,
HIMACHAL PRADESH.

AUDITORS

R A R & ASSOCIATES
CHARTERED ACCOUNTANTS.

BANKERS

STATE BANK OF INDIA.
PUNJAB NATIONAL BANK.

REGISTRAR & SHARE TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP (WEST),
MUMBAI - 400 078.
TEL. NO. : +91-22-2596 3838
FAX NO. : +91-22-2567 2693

MAESTROS MEDILINE SYSTEMS LIMITED**NOTICE**

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of Maestros Mediline Systems Limited will be held at Hotel Days-Inn, Plot No. L-1, Sector 19, Near Truck Terminal, Opp. Modern College, Near Palm Beach Marg, Vashi, Navi Mumbai - 400 705 on Friday, September 12, 2008 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2008.
2. To appoint statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. The retiring auditors M/s. R A R and Associates (Formerly known as M/s. Anil Goyal & Co.), Chartered Accountants are eligible for re-appointment and have confirmed their willingness to accept office, if re-appointed.
3. To appoint a Director in place of Dr. Dhananjay Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To re-appoint Dr. Krishnakumar Menon as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) approval of the members be and is hereby accorded to the appointment of Dr. Krishnakumar Menon as Managing Director of the Company for a period of 5 years with effect from 26th November, 2007 on the terms and conditions including remuneration as set out in the agreement proposed to be entered into between the Company and Dr. Krishnakumar Menon, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which includes any Committee of Directors which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration within the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Dr. Krishnakumar Menon.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint Mr. B. K. Tendulkar as a whole-time-Director designated as Executive Director and in this regard to consider and

if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) approval of the members be and is hereby accorded to the appointment of Mr. B. K. Tendulkar as Executive Director of the Company for a period of 5 years with effect from 26th November, 2007 on the terms and conditions including remuneration as set out in the agreement proposed to be entered into between the Company and Mr. B. K. Tendulkar, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which includes any Committee of Directors which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration within the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. B. K. Tendulkar.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Alteration of Articles of Association of Company.

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 provision of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by inserting the following as Article 6A after the existing Article 6.

- (i) The Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of sections 100 to 104 or of section 402
- (ii) The Company shall not give, whether directly or indirectly and whether by means of loan, guarantee, the provisions of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:

- (a) The provision in accordance with any scheme for the time being in force, of the money for the purchase of, or subscription for, fully paid shares in the Company or its holding Company being a purchase or subscription by Trustees of or for shares to be held by or for the benefit of employees of the Company including any Director holding a salaries office or employment in the Company;

or

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- (b) The making by the Company of loans within the limit laid down in sub section (3) of section 77 of the Act, to persons (other than Directors or Managers) bona fide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.
- (c) No loan made to any person in pursuance of sub-clause (b) of the foregoing provision shall exceed in amount his salary or wages at that time for a period of six months.
- (iii) Subject to and in accordance with the provisions of sections 77A, 77AA and 77B of the Act, and the Rules made thereunder and the Rules, Regulations and Guidelines issued by the Securities and Exchange Board of India or any other authority, for the time being in force, to purchase its own shares.

Nothing in this article shall affect the right of the Company to redeem any shares issued under section 80 or under any corresponding provision in any previous Companies Law.

By Order of the Board of Directors

Dr. Nitin Paranjape
(Chairman)

Registered Office:

Plot no. EL-63, TTC Indl. Area, Electronic Zone,
M.I.D.C., Mahape, Navi Mumbai - 400 701,
Maharashtra.

Date: July 24, 2008.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. All documents referred to in the above Notice are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. to 12.30 p.m. up to the date of the Annual General Meeting.
3. Members / Proxies should bring the Attendance slips duly filled in for attending the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 9th September, 2008 to 12th September, 2008 (both days inclusive).

By Order of the Board of Directors

Dr. Nitin Paranjape
(Chairman)

Registered Office:

Plot no. EL-63, TTC Indl. Area, Electronic Zone,
M.I.D.C., Mahape, Navi Mumbai - 400 701,
Maharashtra.

Date: July 24, 2008.

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

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4 & 5: Re-appointment of Dr. Krishnakumar Menon as Managing Director and Mr. B. K. Tendulkar as Executive Director:

The term of Mr. B. K. Tendulkar as Executive Director and Dr. Krishnakumar Menon as Managing Director has expired on November 25, 2007.

The present proposal is to seek the members' approval for the re-appointment of and remuneration payable to Dr. Krishnakumar Menon as Managing Director and Mr. B.K. Tendulkar as whole-time Director, designated as Executive Director, in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company (the 'Board'), at its meeting held on 30th October, 2007 has, subject to the approval of members, re-appointed Dr. Krishnakumar Menon as Managing Director and Mr. B. K. Tendulkar as Executive Director for a further period of 5 years from the expiry of their respective term, on remuneration determined by the Remuneration Committee of the Board at its meeting held on October 30th, 2007.

The terms and conditions of their appointment are set out in the draft of the agreements to be entered into by the Company with them, which inter-alia contains the following terms and conditions:

1. Period of Agreement:

5 years from 26th November 2007 respectively

2. Salary, Perquisites and Allowances:

Name and Designation	Salary	Perquisites & Allowances
	(Per month)	
Dr. Krishnakumar Menon : (Managing Director)	39,000	111,000
Mr. B. K. Tendulkar : (Executive Director)	37,000	87,284

The perquisites and allowances as aforesaid, shall include house rent allowance; city compensatory allowance; conveyance allowance; professional pursuit allowance. The said perquisites and allowances shall be evaluated, whenever applicable, as per the provision of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income tax law, and gratuity payable and encashment of leave at the end of tenure, as per the rules of the Company and to the extent not taxable under the Income tax law, shall not be included for the purpose of computation of overall ceiling of remuneration.

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3. Commission :

In addition to the Salary, perquisites and allowances as above, Dr. Krishnakumar Menon and Mr. B. K. Tendulkar shall also be entitled to receive commission on net profits.

is placed before the meeting for the approval of the share holders. No Director is interested or concerned in this resolution.

By Order of the Board of Directors

4. Reimbursement of Expenses:

Reimbursement of expenses incurred for travelling, boarding and lodging during business trips; provision of car and cell phone, telephone expenses at residence for use on the Company's business shall be reimbursed and not considered as perquisites.

Dr. Nitin Paranjape
(Chairman)

Registered Office:

Plot no. EL-63, TTC Indl. Area, Electronic Zone,
M.I.D.C., Mahape, Navi Mumbai - 400 701,
Maharashtra.

Date: July 24, 2008.

5. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of their tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

The aforesaid agreement contains further terms and conditions as to the powers and duties, reimbursement of entertainment, travelling and other expenses incurred by them for the business of the Company, provision for earlier determination of the appointment by either party by giving six months' notice in writing, non participation in any selling agency of the Company, etc.

Dr. Krishnakumar Menon and Mr. B. K. Tendulkar satisfy all the conditions set out in Part-I of Schedule-XIII to the Companies Act, 1956 for being eligible for the reappointment.

The above may be treated as an abstract of the terms of re-appointment of Dr. Krishnakumar Menon and Mr. B. K. Tendulkar under section 302 of the Companies Act, 1956.

A brief description of Dr. Krishnakumar Menon and Mr. B. K. Tendulkar, nature of their expertise in specific functional areas and other relevant information stipulated under clause 49 of listing agreement with stock exchange are provided in report on Corporate Governance forming part of the Annual Report.

Dr. Krishnakumar Menon and Mr. B. K. Tendulkar are interested in the resolution set out respectively at item 4 and 5 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them. Save and except above, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

The Board commends the Resolution set out at item Nos. 4 and 5 of the Notice for your approval.

Item No. 6: Alteration of Articles of Association of Company:

At present the Articles of Association of the Company is silent regarding the provision of 77A, 77AA and 77B of the Act, It is therefore proposed to insert new articles 6A after existing Article 6 to enable various powers and provision in the said sections. As required under section 31 of the Companies Act, 1956 this proposal

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DIRECTORS' REPORT

Your Directors take pleasure in presenting the Thirty Fifth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the period ended 31st March, 2008.

1. Financial Results (Rs. In Thousands)

	Current Year	Previous Year
Total Income	349,714	259,285
Less: Expenditure	306,399	226,954
Profit before Depreciation, Finance Charges and Tax		
Charges and Tax	43,315	32,331
Less: Interest and Financial Charges	13,941	7,603
Less: Depreciation	12,621	17,569
Profit before Tax	16,753	7,160
Less: Provision for Taxation	4,278	1,528
Profit / (Loss) after Tax	12,475	5,632
Add: Short provision for tax on earlier years	-	62
Add: Prior period items	7	-
Add: Balance brought forward from previous year	55,532	49,839
Profit available for appropriation	68,015	55,533
Less: Appropriations Transfer to General Reserve	-	-
Balance carried forward	68,015	55,533

2. Management Discussion And Analysis

(a) **Industry Structure and Development:** The Indian economy continued to grow both in manufacturing and service sector, in the year under review. The Government continued its program for improvement of health care systems in India. The Information Technology industry also witnessed significant growth. The long term outlook for the Medical and Information Technology business of the Company look to be positive. The performance of your Company during the year under report has shown the improvement over the previous year. The total revenue for the year ended March 31, 2008 amounted to Rs.3,489.04 lacs, as against Rs.2,598.92 lacs, registering a growth of 34 per cent over the last year.

(b) **Segment wise operational performance:** Your Company has two main segments of business viz. Medical Embedded Systems ("MES") and Information Technology ("IT").

The sales of MES division has increased by 44 per cent. The sale of IT division has decreased significantly by 68 per cent. The gross income from Infrastructure activity has increased significantly by 34 per cent. As talked about last year the company had started new division by the name "Electronics and Instrumentations" which is engaged in OEM products like Industrial Panel Printers, Electronic controlling assemblies for fuel dispensing pump. During the year the division sold 150 units of Electronic controlling assemblies, 10,560 units of Thermal Printers & 184 units of panel printers. During the said fiscal the division has recorded a sale of Rs.647.28 lacs. Being the first year of operation, comparative analysis of the said division cannot be given. During the year under review your Company has upgraded its existing products with better technology and features and also added new products to its portfolio. The construction at newly acquired additional space in Navi Mumbai is complete and operations have started in full swing.

(c) **Outlook:** The overall outlook for the Indian Economy continues to be positive and growth oriented. The focus on strengthening the health care and IT with increase in allocation for capital goods and infrastructure related projects in Public and private sectors, both the business segments are expected to accelerate the growth rate in the year ahead.

(d) **Threats and Concerns:** The most important threat continues to be competition from low cost imported products.

Manpower costs are rising as many large companies are mopping the available talent pool supply of which is limited. Thus for small and mid-range companies, retaining high quality manpower is a concern.

(e) **Internal control systems and their adequacy:** Your Company has well established and adequate systems for internal control to provide reasonable assurance that all assets are safeguarded; transactions are authorised and reported correctly.

The internal control system provides well documented policies, guidelines, authorisation and approval procedures for its operations. Your Company maintains controls of high norms both in raw material as well as finished goods. The percentage of rejection from market has reduced drastically due to controls set up in this division.

To achieve high level of customer satisfaction, your company is regularly conducting training programs for its engineers and technical staff on continuous basis, this has resulted in call solving at the initial level itself.

The distribution activity of your Company is mainly controlled through well established channel partners who are experienced in this field and setting up targets for sales and service.

(f) **Human Resources:** Your Company continuously endeavors to improve the work environment for its employees. Competitive compensation package, innovative and challenging environment to work, transportation facilities, etc., are some of the steps taken by the Company for the welfare of its employees.

3. Dividend

Considering the need for conservation of resources, the Board does not recommend any dividend.

4. Equity Capital

The Company has not issued any additional shares during the year under review.

5. Consolidated Financial Statements

As stipulated in the listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors Report thereon form part of the Annual Report.

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6. Directors

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Dr. Dhananjay Mahajan retires by rotation, and being eligible, offer himself for re-appointment at the ensuing general meeting.

The Board of Directors ('Board') of the Company, at its meeting held on October 30th, 2007 has, subject to the approval of members, re-appointed Dr. Krishnakumar Menon as Managing Director and Mr. B. K. Tendulkar as whole time Director designated as Executive Director for a further period of 5 years from the expiry of their respective term. The Board recommends the resolution for your approval. As required, detail concerning the Director is included in the corporate governance report, forming the part of Annual Report.

7. Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors make the following statement, pursuant to Section 217 (2AA) of the Companies Act, 1956:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year April 1, 2007 to March 31, 2008;
- (iii) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

8. Report on Subsidiary Companies

During the year your Company has set-up wholly owned subsidiary Company in Free Trade Zone, Sharjah viz. Maestros Middle East (FZE)- Limited Liability Company. The subsidiary has been setup to focus on the Middle East market. The subsidiary is engaged in providing IT & IT enabled services and has competencies like advance infrastructure solutions, business process and integration solutions, data management solutions etc. and specialisations like active directory, database management, exchange migration and deployment, identity & secure access etc. Pursuant to Section 212 of the Companies Act, 1956 the annual audited accounts of the same are attached herewith and form part of this Annual Report.

9. Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditors' Certificate.

10. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgoings

Disclosure of information in accordance with the provisions of Section 217(1)(c) of the Companies Act, 1956, read with the

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption is not applicable to your Company.

The particulars regarding foreign exchange earnings and foreign exchange expenditure during the year of Rs.4,379,456/- and Rs.3,087,582/- respectively are as appearing in Note no. XV I of the Notes to Accounts.

11. Public Deposits

The Company has not accepted any Fixed Deposits from the Public / Shareholders.

12. Auditors and Auditors' Report

M/s. R A R & Associates (formerly known as Anil Goyal & Co.), Chartered Accountants, Mumbai, the statutory auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a Certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

13. Particulars of Employees

Information required pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to your Company.

14. Appreciation

Your Board takes this opportunity to express its sincere appreciation of the excellent contribution made by all its employees towards the overall performance of your Company. Your Directors also thank all the shareholders, dealers, suppliers, bankers and other business associates for their valuable service and support during the year.

For and on behalf of Board of Directors

Dr. N. S. Paranjape (Chairman)	Dr. K. K. Menon (Managing Director)	Mr. B. K. Tendulkar (Director)
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Addendum to Director's Report:

Point No. (vii) of Annexure to the Auditor's Report

There were certain defaults in remittances of undisputed outstanding tax liabilities. However, your Company has since paid these liabilities.

For and on behalf of Board of Directors

Dr. N. S. Paranjape (Chairman)	Dr. K. K. Menon (Managing Director)	Mr. B. K. Tendulkar (Director)
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Registered Office:

Plot No. EL-63, Electronic Zone,
T.T.C Industrial Area, M.I.D.C.,
Mahape, Navi Mumbai - 400 701,
Maharashtra,
India.
Date: July 1, 2008.

MAESTROS MEDILINE SYSTEMS LIMITED

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CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Corporate Governance for Maestros is effective and controlled management practices and compliance with laws and regulations. Maestros is committed to build value based and ethical management practices to ensure greater transparency and fairness, which in turn will ensure maximum satisfaction of all the stakeholders.

A. Board of Directors

1. Composition of Board of Directors

The constitution of the Board of Directors is given below: -

Name	Executive / Non-Executive / Independent	No. of Directorships held in other companies	Memberships held in Committees as specified in Clause 49
Dr. Krishnakumar Menon	Executive	None	None
Mr. Balkrishna Tendulkar	Executive	None	None
Dr. Nitin S. Paranjape	Non - Executive	None	None
Mr. Narendra Mahajani	Non - Executive	None	None
Dr. Dhananjay Mahajan	Independent	None	None
Mr. Ketan Shah	& Non - Executive Independent & Non - Executive	None	None

Directors Profile:-

Dr. Krishnakumar Menon

Dr. Krishnakumar Menon holds doctorate in Macro Economics and Marketing from University of London. Besides he holds Diploma in Management Studies and Diploma and Masters in Marketing Management. He was Management Trainee with Philips India from 1983 to 1985 in the area of sales promotion, marketing displays, dealer development and monetary controls.

Dr. Krishnakumar Menon did a short stint as Senior Sales Executive with Blow Plast Ltd. and as Area Manager with Amtrex Air Conditioners. Subsequently he joined Ulmer Spatz (a subsidiary of Unilever Plc.) as Regional Manager for Middle East operations.

He is looking after Finance and Marketing of Maestros for the past 10 years.

Mr. B. K. Tendulkar

Mr. B. K. Tendulkar is B. E (Instrumentations) from University of Mumbai. Besides he has done Post Graduate Diploma in Business Management from University of Mumbai.

He had been with K. E. M Hospital, Mumbai, Research & Development team for almost 8 years and developed many new technologies with the help of physicians.

He has led the embedded systems and medical instrument division since its beginning with a vision to foray into adaptation of new technologies in the field of medicine for the Indian sub-continent with a dream to make affordable medical aid to the masses.

He is the visionary in establishing the "Electronics and Instrumentations" division and his expertise knowledge has led to the development of OEM products having applications in various industries.

Dr. Dhananjay Mahajan

After completing his PhD in Operations Research from IIT, Mumbai, Dr. Dhananjay Mahajan did a short stint as a lecturer in Pune University. Subsequently he joined the TATA group and had a long career of nearly 17 years with them in a variety of roles in software services life cycle and moving on to become Director, Information Services- India Operations.

Dr. Dhananjay Mahajan was the founding CEO of Mahindra Consulting and has been instrumental in building the company from scratch to almost 210 employees by the year 2000.

He has total 24 years of experience in the IT services industry and has worked in the Information Technology Services business in major industrial groups including the TATA's, Mahindra Group & Birla Group.

2. Number of Board Meetings held and the dates on which held.

During the period April 1, 2007 to March 31, 2008, 9 board meetings were held. The date on which the said meetings were held as follows: June 30, 2007, August 3, 2007, August 16, 2007, September 12, 2007, September 22, 2007, September 30, 2007, October 12, 2007, October 30, 2007, February 2, 2008.

3. The details in respect of attendance of Directors in Board meetings and General Meetings are as under:

Name of Director	Number of board Meetings attended	Whether AGM dated 28/09/2007 attended (Y/N)
Dr. Krishnakumar Menon	9	Y
Mr. Balkrishna Tendulkar	9	Y
Dr. Nitin S. Paranjape	5	Y
Mr. Narendra Mahajani	9	Y
Dr. Dhananjay Mahajan	5	Y
Mr. Ketan Shah	5	Y

4. Remuneration of Directors

Details of remuneration during 2007-2008.

Sr. No.	Name	Designation	Total Salary and Perquisites (Rs.)	Sitting Fees (Rs.)
1	Dr. Krishnakumar Menon	Managing Director	3,140,796	N.A.
2	Mr. Balkrishna Tendulkar	Executive Director	1,187,198	N.A.
3	Dr. Nitin S. Paranjape	Chairman & Non-Executive Director	N.A.	8,000
4	Mr. Narendra Mahajani	Non-Executive Director	N.A.	8,000
5	Dr. Dhananjay Mahajan	Independent	N.A.	8,000
6	Mr. Ketan Shah	Independent	N.A.	8,000

Dr. Krishnakumar Menon, Managing Director and Mr. Balkrishna Tendulkar, Executive Director of the Company are in the whole time employment, and their employment is contractual in nature. They were re-appointed at the board meeting held on October 30, 2007 and hold office up to 25th November 2012.

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3. Commission :

In addition to the Salary, perquisites and allowances as above, Dr. Krishnakumar Menon and Mr. B. K. Tendulkar shall also be entitled to receive commission on net profits.

is placed before the meeting for the approval of the share holders. No Director is interested or concerned in this resolution.

By Order of the Board of Directors

4. Reimbursement of Expenses:

Reimbursement of expenses incurred for travelling, boarding and lodging during business trips; provision of car and cell phone, telephone expenses at residence for use on the Company's business shall be reimbursed and not considered as perquisites.

Dr. Nitin Paranjape
(Chairman)

Registered Office:

Plot no. EL-63, TTC Indl. Area, Electronic Zone,
M.I.D.C., Mahape, Navi Mumbai - 400 701,
Maharashtra.

Date: July 24, 2008.

5. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of their tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

The aforesaid agreement contains further terms and conditions as to the powers and duties, reimbursement of entertainment, travelling and other expenses incurred by them for the business of the Company, provision for earlier determination of the appointment by either party by giving six months' notice in writing, non participation in any selling agency of the Company, etc.

Dr. Krishnakumar Menon and Mr. B. K. Tendulkar satisfy all the conditions set out in Part-I of Schedule-XIII to the Companies Act, 1956 for being eligible for the reappointment.

The above may be treated as an abstract of the terms of re-appointment of Dr. Krishnakumar Menon and Mr. B. K. Tendulkar under section 302 of the Companies Act, 1956.

A brief description of Dr. Krishnakumar Menon and Mr. B. K. Tendulkar, nature of their expertise in specific functional areas and other relevant information stipulated under clause 49 of listing agreement with stock exchange are provided in report on Corporate Governance forming part of the Annual Report.

Dr. Krishnakumar Menon and Mr. B. K. Tendulkar are interested in the resolution set out respectively at item 4 and 5 of the Notice, which pertain to their respective re-appointments and remuneration payable to each of them. Save and except above, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

The Board commends the Resolution set out at item Nos. 4 and 5 of the Notice for your approval.

Item No. 6: Alteration of Articles of Association of Company:

At present the Articles of Association of the Company is silent regarding the provision of 77A, 77AA and 77B of the Act, It is therefore proposed to insert new articles 6A after existing Article 6 to enable various powers and provision in the said sections. As required under section 31 of the Companies Act, 1956 this proposal