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## Notice

THE FIFTY-NINTH ANNUAL GENERAL MEETING OF MAHINDRA AND MAHINDRA LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai-400 020 on Thursday, the 28<sup>th</sup> day of July, 2005, at 3.30 p.m. to transact the following business:

1. To receive and adopt the Directors' Report and audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2005.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. Keshub Mahindra who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Anand G. Mahindra who retires by rotation and, being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. N. B. Godrej who retires by rotation and, being eligible, offers himself for re-election.
6. To appoint a Director in place of Mr. M. M. Murugappan who retires by rotation and, being eligible, offers himself for re-election.
7. To appoint Messrs. A. F. Ferguson & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the consent of the Company be accorded for payment of Rs.10,000 (Rupees Ten Thousand Only) or such other amount as may be approved by the Board of Directors subject to the ceiling prescribed under the Companies Act, 1956, or rules framed thereunder, as

amended from time to time, as sitting fees for each Meeting of the Board of Directors and the Committees thereof, attended by the Non-Executive Directors of the Company."

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

"RESOLVED that the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Directors and such of the remainder as may not desire to participate, shall, for a period of five years with effect from 1<sup>st</sup> November, 2005, be paid remuneration by way of commission up to one per cent of the net profits of the Company, computed in the manner referred to in sections 198, 309 and all other applicable provisions of the Companies Act, 1956, such commission to be distributed amongst and paid to the aforesaid Directors concerned in such proportions as they may from time to time decide between themselves; PROVIDED that none of such Directors shall in any financial year of the Company receive a portion of such commission equal to more than one quarter per cent of the net profits of the Company."

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

"RESOLVED that pursuant to the provisions of sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the revision in remuneration payable to Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice-Chairman & Managing Director and Mr. Bharat Doshi and Mr. A. K. Nanda as the Executive Directors (hereinafter collectively referred to as "the Directors")

of the Company from 1<sup>st</sup> April, 2005 for the remainder of their respective terms of office as follows:

<b>Vice-Chairman</b>	Rs. 4,00,000 per month in
<b>&amp; Managing Director</b>	the scale of Rs.2,00,000 to
Mr. Anand G. Mahindra	Rs. 6,00,000 per month

<b>Executive Directors</b>	Rs. 3,00,000 per month in
Mr. Bharat Doshi and	the scale of Rs.1,35,000 to
Mr. A. K. Nanda	Rs. 4,50,000 per month

FURTHER RESOLVED that the perquisites (including allowances) payable or allowable and commission to the Directors be as follows:

#### Perquisites:

1. In addition to the salary, the Directors shall also be entitled to perquisites which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities including those under the Company's Special Post Retirement Benefits Scheme in accordance with the Rules of the Company.

The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

2. Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
3. Encashment of earned leave at the end of the respective tenures as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
4. Provision for car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

#### Commission:

In addition to the salary and perquisites, the Directors would be entitled to such commission based on the net profits of the Company in any financial year not exceeding one per cent of such profits to each of them as the *Remuneration/Compensation Committee* shall decide, having regard to the performance of the Company.

Provided that the remuneration payable to the Directors (including the salaries, commission, perquisites, benefits and amenities) does not exceed the limits laid down in sections 198 and 309 of the Companies Act, 1956, including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED that where in any financial year during the currency of the tenure of the Directors, the Company has no profits or its profits are inadequate, the Company may pay to the Directors the above remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this Resolution the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

11. To consider and, if thought fit, to give Assent/Dissent to the following Resolution as a Special Resolution through Postal Ballot under the provisions of section 192A of the Companies Act, 1956:

"RESOLVED that subject to the provisions of section 17 and all other applicable provisions of the Companies Act, 1956, the Objects Clause 3 of the Memorandum

of Association of the Company be amended by inserting after sub-clause (xvii S) the following new sub-clauses:

- (xvii T) To establish, undertake and carry on business of industrial and construction equipment manufacturers, contractors, sellers, buyers, assemblers, original equipment manufacturers, importers and exporters, providing electrical power solutions, design, research, develop, install, repair, supply and deal in all types of electricity and other electrical equipments including but not limited to generator sets of any capacity and size and alternators of any capacity and size, motors, fans, batteries, storage batteries, energy saving devices, solar energy products, engine performance unit and controllers, generating set controllers, control panels, battery chargers of all kinds for various applications, canopies, acoustic enclosures, shelters and cables.
- (xvii U) To establish, undertake and carry on the business of trading, hire purchase, leasing and financing, chartering, renting and indenting agents for industrial and construction equipment and machinery, generator sets, electrical power plants, alternators, control panels, pump sets with or without prime-mover and alternative energy systems.
- (xvii V) To act as consultants and undertake maintenance, overhauling and service contracts of all kinds of plant, industrial and construction equipment and machinery, generator sets, alternators, control panels, controllers, compressors, internal combustion engines and marine engines.
- (xvii W) To undertake and carry on the business of manufacturers and dealers of all kinds of weapon systems, armaments and devices including but not limited to torpedoes, mines, rockets, missiles and similar projectiles whether operated manually or by remote control, launched from land, air or sea with or without explosives, detonators and similar devices and all related equipments for use by armed forces whether based on the proprietary designs and drawings of the armed forces or

ministry of defence, prototypes, assemblies, sub-assemblies, parts, components, accessories, fitments of any and all such devices and equipments and to conduct all or any of the activities connected with the purchase or procurement and import of such components and spares as may be required for use in the aforesaid weapon systems, armaments and devices.

- (xvii X) To provide information security consulting services including but not limited to conducting a risk analysis of the primary business objectives of any entity, body/enterprise or organization, a representative current state analysis of information infrastructure and security level of people, processes and technology, creating a policy framework including supporting procedures and standards covering aspects of people, processes and technology, advising, improving and securing the technology infrastructure, educating, training and maintaining an ongoing communication with the employees of any entity, body/enterprise or organisation to maintain acceptable awareness levels in such entity, body/enterprise or organisation, with the intention of achieving and maintaining the security objectives and conducting training programs and using change management products of all types including but not limited to infosec posters, flash films, screensavers, wallpapers, customized audio visual films, emailers, handbooks, providing assistance and implementation support for quality certification and conducting pre-certification audits, technical evaluation of ERP systems as per requirements of the clients and developing, providing and maintenance of software for the purpose of information security including but not limited to visitor management software."

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

"RESOLVED that pursuant to the provisions of section 149(2A) of the Companies Act, 1956, approval be given

to the commencement, by the Company, of new businesses as provided in sub-clauses (i), (ii), (iv), (xvii N), (xvii T), (xvii U), (xvii V), (xvii W) and (xvii X) of Clause 3 of the Memorandum of Association of the Company."

13. To consider and, if thought fit, to give Assent/Dissent to the following Resolution as an Ordinary Resolution through Postal Ballot under the provisions of section 192A of the Companies Act, 1956:

"RESOLVED that subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, consent of the Company be given pursuant to section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to transfer, sell or dispose of the Company's Light Commercial Vehicles (LCV) business together with congeries of rights of the Company in such business to any body corporate/company for such consideration and on such terms and conditions and with effect from such date and in such manner as the Board may think fit and that the Board be authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in the interest of the Company."

14. To consider and, if thought fit, to give Assent/Dissent to the following Resolution as an Ordinary Resolution through Postal Ballot under the provisions of section 192A of the Companies Act, 1956:

"RESOLVED that subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, consent of the Company be given pursuant to section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to transfer, sell or dispose of the Company's Transport Solutions Group (TSG) business together with congeries of rights of the Company in such business to any body corporate/company for such consideration and on such

terms and conditions and with effect from such date and in such manner as the Board may think fit and that the Board be authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in the interest of the Company."

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

"RESOLVED that pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 and the Regulations made thereunder and other prevailing laws, rules and regulations as applicable from time to time and subject to such consents, sanctions and permissions as may be required from the appropriate authorities, consent be accorded for acquiring and holding Ordinary Shares (hereinafter referred to as "Equity Shares") of the Company by the Foreign Institutional Investors (FIIs) including their sub-accounts up to an aggregate limit of 49% of the paid-up Equity Share Capital of the Company.

FURTHER RESOLVED that consent be accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to do all such acts, deeds, matters and things and execute all such documents, deeds and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Company."

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

"RESOLVED that pursuant to section 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 200,00,00,000 (Rupees Two Hundred Crores) divided into 17,50,00,000 Ordinary (Equity) Shares of Rs. 10 each and 25,00,000 Unclassified Shares of Rs.100 each to Rs. 300,00,00,000 (Rupees Three Hundred Crores) divided into 27,50,00,000 Ordinary (Equity) Shares of Rs. 10 each and 25,00,000 Unclassified Shares of Rs.100 each by the creation of additional 10,00,00,000 Ordinary (Equity) Shares of Rs.10 each."



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

"RESOLVED that pursuant to section 16 and all other applicable provisions, if any, of the Companies Act, 1956, Clause 5 of the Memorandum of Association of the Company be altered by substituting in its place and stead the following:

'5. The Authorised Share Capital of the Company is Rs. 300,00,00,000 (Rupees Three Hundred Crores) divided into 27,50,00,000 Ordinary (Equity) Shares of Rs. 10 each and 25,00,000 Unclassified Shares of Rs. 100 each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.'

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

"RESOLVED that pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956, Article 3 of the Articles of Association of the Company be substituted by the following:

'3. The Authorised Share Capital of the Company is Rs. 300,00,00,000 (Rupees Three Hundred Crores) divided into 27,50,00,000 Ordinary (Equity) Shares of Rs. 10 each and 25,00,000 Unclassified Shares of Rs. 100 each.'

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

"RESOLVED that

(a) in accordance with the relevant provisions of the Articles of Association of the Company and

recommendation of the Board of Directors and subject to the guidelines issued by the Securities & Exchange Board of India and subject to such consents and approvals as may be required in this regard, consent of the Members be accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), for capitalisation of such amount out of the General Reserves of the Company as may be considered necessary by the Board for the purpose of issue of Bonus Shares of the face value of Rs. 10 each credited as fully paid Ordinary (Equity) Shares to the holders of the existing Ordinary (Equity) Shares of the Company whose names appear in the Register of Members on such Record Date as may be fixed by the Board in this regard, in the proportion of one new Ordinary (Equity) Share for every one Ordinary (Equity) Share held by such persons on the said date;

(b) consent of the Company be accorded for capitalisation of such amount out of the General Reserves of the Company as may be considered necessary by the Board for the purpose of issue of Bonus Shares in the proportion of one new Ordinary (Equity) Share for every one Ordinary (Equity) Share to those person(s) who may be allotted Ordinary (Equity) Shares (standing *pari passu* with the existing Ordinary (Equity) Shares) of the Company in the event of conversion, if any, of all or any of the Foreign Currency Convertible Bonds into Ordinary (Equity) Shares/GDRs, on or before the Record Date to be fixed by the Board;

(c) the issue and allotment of the Bonus Shares to the extent they relate to Non-Resident Indians, Persons of Indian Origin and other foreign investors of the Company will be subject to the approval of the Reserve Bank of India, as may be necessary;

(d) the new Ordinary (Equity) Shares of Rs.10 each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all

respects with and carry the same rights as the existing Ordinary (Equity) Shares and shall be entitled to participate in full in any dividend to be declared for the financial year in which the Bonus Shares are allotted;

- (e) no Letter(s) of Allotment shall be issued to the allottees of the Bonus Shares and that the Share Certificates in respect of the new Ordinary (Equity) Shares shall be issued and despatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time;
- (f) the Bonus Shares will be credited to the demat accounts of the allottees who are holding the existing Ordinary (Equity) Shares in the dematerialized form;
- (g) for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment and distribution of the new Ordinary (Equity) Shares."

#### Notes:

- A. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- C. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- D. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Sharepro Services (India) Private Limited having their office premises at Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099.
- E. The Register of Members and Transfer Books of the Company will be closed from 1<sup>st</sup> July, 2005 to 28<sup>th</sup> July, 2005 (both days inclusive).

F. The dividend, if declared at the Annual General Meeting, will be paid on or after 28<sup>th</sup> July, 2005 to those persons or their mandates:

- (a) whose names appear as Beneficial Owners as at the end of the business hours on 30<sup>th</sup> June, 2005 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 30<sup>th</sup> June, 2005.

G. Pursuant to the provisions of section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends for the financial year ended 31<sup>st</sup> March, 1997 to the Investor Education and Protection Fund. All unclaimed dividends for the financial year ended 31<sup>st</sup> March, 1998 will be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrants so far for the said period or any subsequent financial years are requested to make their claim to Sharepro Services (India) Private Limited, Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099. It may be noted that once the amounts in the unpaid dividend accounts are transferred to the Investor Education and Protection Fund, no claim shall lie against the Fund or the Company in respect thereof and the Members would lose their right to claim such dividend.

H. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Sharepro Services (India) Private Limited, Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099.

I. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing



dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from shareholders holding shares in electronic form for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.

J. The Company has extended the facility of electronic credit of dividend directly to the respective Bank Accounts of the Members through the Electronic Clearing Service (ECS) of the Reserve Bank of India. The ECS facility is presently available at Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram. Reserve Bank of India has plans of extending this facility to other centres in a phased manner. Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents in the prescribed form and with the prescribed details. Shareholders located in places where ECS facility is not available may submit their Bank details. This will enable the Company to incorporate this information on the Dividend Warrants and thus prevent fraudulent encashment.

K. Members are requested to:

- a) intimate to the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited, Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099, changes, if any, in their registered addresses at an early date;

b) quote their folio numbers/Client ID/DP ID in all correspondence.

- L. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- M. Members may kindly note that in accordance with the provisions of section 192A of the Companies Act, 1956 ("the Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the assent or dissent of the Members in respect of the Resolutions at Item Nos. 11, 13 and 14 of the Notice is required to be determined through Postal Ballot. Accordingly, the Postal Ballot Form and Postal Ballot Notice under section 192A of the Act and a postage pre-paid envelope has been sent separately to the Members whose names appeared in the Register of Members as on 16<sup>th</sup> June, 2005, being the cut-off date fixed by the Board for this purpose. The results of the Postal Ballot will be announced by the Chairman at the Meeting. These items of business will, therefore, not be transacted at the Meeting.
- N. In terms of the approval granted by the Central Government, the accounts, etc., of the Company's subsidiary companies are not required to be attached with the Balance Sheet of the parent Company. These documents will be submitted on request to any Member wishing to have a copy, on receipt of such request by the Assistant Company Secretary at the Registered Office of the Company. These documents will also be available for inspection by any Member at the Registered Office of the Company.

By order of the Board

**A. K. NANDA**

Executive Director & Secretary

Registered Office:  
Gateway Building,  
Apollo Bunder,  
Mumbai-400 001.  
16<sup>th</sup> June, 2005.

## Annexure to Notice

### Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

#### ITEM NOS. 8 and 9

The Securities and Exchange Board of India has revised Clause 49 of the Listing Agreement relating to Corporate Governance requirements to be fulfilled by the listed companies. Companies have to ensure compliance with the revised Clause 49 of the Listing Agreement by 31<sup>st</sup> December, 2005. One of the requirements stipulated under the revised Clause is that all the fees and compensation payable to Non-Executive Directors, including the Independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the Members in General Meeting.

At present, the Company is paying sitting fees of Rs. 10,000 to all the Non-Executive Directors of the Company, for attending each Meeting of the Board of Directors and the Committees thereof.

The Members at the Annual General Meeting of the Company held on 31<sup>st</sup> July, 2001, had passed a Special Resolution for payment of commission of upto 1% per annum of the net profits of the Company to the Directors of the Company, other than the Directors who are in the whole-time employment of the Company, the Managing Director and such other Directors as may not desire to participate, such commission distributed amongst and paid to the aforesaid Directors in such proportions as they may, from time to time, decide between themselves, subject to a limit of one quarter per cent of the net profits for any such Director. The said Special Resolution will remain in force upto 31<sup>st</sup> October, 2005.

It is now proposed to authorise the payment of the same commission to the Directors of the Company other than the Directors who are in the whole-time employment of the Company, the Managing Director, Executive Directors and such other Directors as may not desire to participate, for each of further five years commencing from 1<sup>st</sup> November, 2005.

In terms of the revised Clause 49 of the Listing Agreement and sections 198, 309 and all other applicable provisions of the Companies Act, 1956, the approval of the Members is requested for the payment of sitting fees and commission to all the Non-Executive Directors of the Company.

The Directors recommend the passing of the Resolution at Item No. 8 as an Ordinary Resolution and the Resolution at Item No. 9 as a Special Resolution.

None of the Directors of the Company except Mr. Keshub Mahindra, Mr. Deepak S. Parekh, Mr. N. B. Godrej, Mr. M. M. Murugappan, Mr. N. Vaghul, Mr. Anupam Puri, Dr. A. S. Ganguly, Mr. R. K. Kulkarni and Mr. V. K. Chanana may be considered to be concerned or interested in these items of businesses.

#### ITEM NO. 10

At the Annual General Meeting (AGM) of the Company held on 16<sup>th</sup> August, 2002, the Members had approved of the re-appointment and remuneration payable to Mr. Anand G. Mahindra, Managing Director designated as Vice-Chairman & Managing Director. At the same AGM, the Members had approved of the re-appointment and remuneration payable to Mr. K. J. Davasia, Mr. Alan E. Durante, Mr. Bharat Doshi and Mr. A. K. Nanda, Executive Directors of the Company.

Mr. K. J. Davasia has since retired from the Company as an Executive Director with effect from 24<sup>th</sup> January, 2005 and Mr. Alan E. Durante would be retiring from the services of the Company as an Executive Director with effect from 25<sup>th</sup> September, 2005.

The Board of Directors of the Company at its Meeting held on 30<sup>th</sup> May, 2005, has pursuant to the approval of the Remuneration/Compensation Committee and subject to the approval of the Members, approved the revision in remuneration payable to Mr. Anand G. Mahindra, Mr. Bharat Doshi and Mr. A. K. Nanda, in line with the current market trends.

The other terms of remuneration including commission payable to Mr. Anand G. Mahindra, Mr. Bharat Doshi and Mr. A. K. Nanda are set out in the Special Resolution under Item No.10.

Pursuant to sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act"), including Schedule XIII to the Act, the revised remuneration of Mr. Anand G. Mahindra, Vice-Chairman & Managing Director and the two Executive Directors viz. Mr. Bharat Doshi and Mr. A. K. Nanda of the Company are now being placed before the Members in the Annual General Meeting for their approval by way of a Special Resolution.

Your Directors recommend this Resolution as a Special Resolution for approval of the Members.