



65TH ANNUAL REPORT 2011 - 2012

Board of Directors

Mr. T. R. Swaminathan, Chairman

Mr. R. S. Jhawar

Mr. Supriya C. Mukherjee

Mr. F. J. Guzdar, Whole-Time-Director

Bankers

Bank of India

HDFC Bank

Auditors

Messrs B. K. Khare & Co.

Mumbai

Registrar & Share Transfer Agents

M/s. Sharepro Services (India) Private Ltd.

13A/B, Samhita Warehousing Complex,

2nd Floor, Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road, Sakinaka,

Andheri (E), Mumbai - 400 072.

Tel. No.: (022) 6772 0400, 6772 0300

Fax No.: (022) 2859 1568

Solicitors

Govind Desai Associates, Mumbai

Registered Office

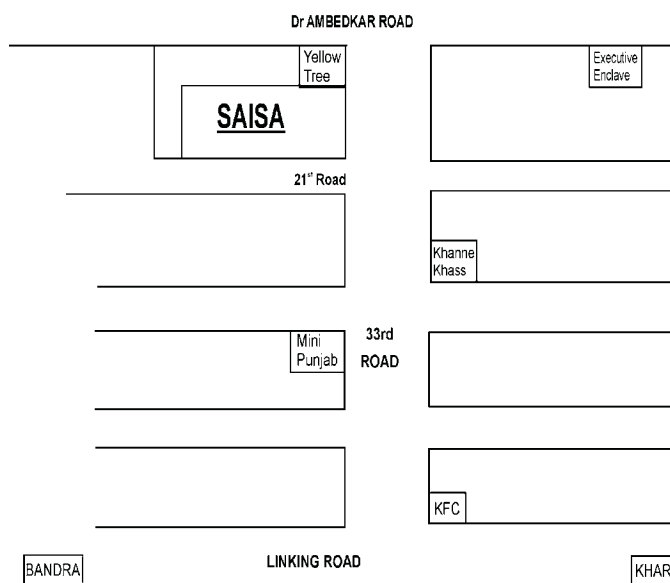
Rustom Court Building,

Opp. Podar Hospital,

Dr. Annie Besant Road,

Worli, Mumbai 400 030.

LOCATION OF VENUE



Contents

Page No.

Notice	1
Director's Report	10
Report on Corporate Governance	12
Corporate Governance Certificate	15
Compliance Certificate	16
Auditor's Report	18
Balance Sheet	22
Profit & Loss Account	23
Cash Flow Account	24
Notes to Accounts	25
Proxy	37

Notice of Annual General Meeting:

Notice is hereby given that Sixty Fifth Annual General Meeting of the Company will be held as scheduled below.

Day : Friday
Date : 21st September, 2012
Time : 11.30 A.M.
Venue : ST. Anthony's Institute, Sports Academy-SAISA,
33rd/21st Road Corner, Pali,
Bandra(W), Mumbai - 400 050.

The Agenda for the meeting will be as under:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Statement of Accounts for the financial year ended 31st March, 2012 and report of the Directors and Auditors thereon.
- 2) To elect a Director in the place of Mr. T. R. Swaminathan who retires by rotation and being eligible, offers himself for re-election.
- 3) To elect a Director in the place of Mr. F. J. Guzdar who retires by rotation and being eligible, offers himself for re-election.
- 4) To consider and, if thought fit to pass, with or without modification, the following resolution as a special resolution:

"RESOLVED THAT Messrs. B. K. Khare & Company, Chartered Accountants, Mumbai be and are hereby appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors and they be paid in addition, out of pocket and / or traveling expenses that they may incur in carrying out their duties.

SPECIAL BUSINESS:

- 5) To consider and, if thought fit, to pass, with or without modification the following a special resolution.

"RESOLVED that pursuant to the provisions of section 269, 309, 311 and other applicable provision of the Companies Act, 1956, the Company hereby approves and confirms the re-appointment of Mr. F. J. Guzdar as Whole-Time-Director of the Company made by the Board of Directors of the Company at their meeting held on 01.02.2008 on the terms and remuneration fixed at that meeting and approved by the members of Company by resolution proposed and passed as a special resolution at the Annual General Meeting of the Company held on 16.09.2008

RESOLVED FURTHER that the Appointment Letter dated 31st March, 2008 issued by the Company and accepted by

Mr. F. J. Guzdar recording his re-appointment and remuneration payable to him as a Whole-Time-Director as per the said resolution of the Board of Directors and the remuneration paid to Mr. F. J. Guzdar pursuant to the said Appointment Letter dated 31st March, 2008 be and is hereby approved, confirmed and ratified."

- 6) To consider and, if thought fit, to pass, with or without modification the following special resolution.

"RESOLVED that pursuant to the provisions of section 269, 309, 311 and other applicable provisions of the Companies Act, 1956, the Company hereby approves and confirms the re-appointment of Mr. F. J. Guzdar as Whole-Time-Director of the Company made by the Board of Directors of the Company at their meeting held on 26.02.2009 on the terms and remuneration fixed at that meeting and approved by the members of the Company by the resolution proposed and passed as a special resolution at the Annual General Meeting of the Company held on 25.09.2009

RESOLVED FURTHER that the Appointment Letter dated 1st April, 2009 issued by the Company and accepted by Mr. F. J. Guzdar recording his re-appointment and remuneration payable to him as a Whole-Time-Director as per the said resolution of the Board of Directors and the remuneration paid to Mr. F. J. Guzdar pursuant to the said Appointment Letter dated 1st April, 2009 be and are hereby approved, confirmed and ratified."

- 7) To consider and, if thought fit, to pass, with or without modification the following special resolution.

"RESOLVED that pursuant to the provisions of section 269, 309, 311 and other applicable provision of the Companies Act, 1956, the Company hereby approves and confirms the re-appointment of Mr. F. J. Guzdar as Whole-Time-Director of the Company made by the Board of Directors of the Company at their meeting held on 08.02.2010 on the terms and remuneration fixed at that meeting and approved by the members of the Company by a resolution proposed and passed as a special resolution at the Annual General Meeting of the Company held on 24.09.2010

RESOLVED FURTHER that the Appointment Letter dated 1st April, 2010 issued by the Company and accepted by Mr. F. J. Guzdar recording his re-appointment and remuneration payable to him as a Whole-Time-Director as per the said resolution of the Board of Directors and the remuneration paid to Mr. F. J. Guzdar pursuant to the said Appointment Letter dated 1st April, 2010 be and is hereby approved, confirmed and ratified."

- 8) To consider and, if thought fit, to pass, with or without modification the following special resolution.

"RESOLVED that pursuant to the provisions of section 269, 309, 311 and other applicable provisions of the

Companies Act, 1956, the Company hereby approves and confirms the re-appointment of Mr. F. J. Guzdar as Whole-Time-Director of the Company made by the Board of Directors of the Company at their meeting held on 14.02.2011 on the terms and remuneration fixed at that meeting and approved by the members of Company by a resolution proposed and passed as a special resolution at the Annual General Meeting of the Company held on 05..08.2011

RESOLVED FURTHER that the Appointment Letter dated 1st April, 2011 issued by the Company and accepted by Mr. F.J Guzdar recording his re-appointment and remuneration payable to him as a Whole-Time-Director as per the said resolution of the Board of Directors and the remuneration paid to Mr. F.J. Guzdar pursuant to the said Appointment Letter dated 1st April, 2011 be and is hereby approved, confirmed and ratified."

- 9) To consider and, if thought fit, to pass, with or without modification the following special resolution.

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956 the Company hereby approves the appointment of Mr. F. J. Guzdar as a Whole-Time-Director of the Company for a period of one year from 01.04.2012 to 31.03.2013 on the remuneration set out in the draft agreement to be executed between the Company and Mr. F. J. Guzdar placed before this meeting and initiated by the Chairman for the purpose of identification."

By order of the Board of Directors

Registered Office:
Rustom Court,
Opp. Podar Hospital,
Dr. Annie Besant Road,
Worli, Mumbai – 400 030.
Dated:- 17th May, 2012

F.J.GUZDAR
DIRECTOR

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 SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- 2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business to be transacted at the meeting as set out above is annexed hereto and forms part of the Notice.
- 3) The Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.

- 4) The register of members and shares transfer books of the Company will remain closed Wenesday 15th September, 2012 to Friday, 21st September, 2012 (both days inclusive).
- 5) Members are requested to bring their copies of the Annual Report to the meeting.

ANNEXURE TO THE NOTICE:

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 and forming part of the Notice dated 17th May, 2012.

Item No.5:

Mr. F. J. Guzdar was re-appointed as a Whole-Time-Director of the Company for a period up to 31.03.2009 from 01.04.2008 by the Board of Directors on 01.02.2008 to comply with provision of Section 269 of the Act. The remuneration payable to Mr. F. J. Guzdar and other terms of employment are set out in the Appointment Letter dated 31st March, 2008 issued by the Company and accepted by Mr. F. J. Guzdar, keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of the Act. His appointment and the remuneration payable to him subject to approval of shareholders of the Company at the general meeting.

Thereafter at the Annual General Meeting held on 16.09.2008 Mr. F. J. Guzdar's re-appointment and remuneration was approved by a resolution proposed and passed as a special resolution by the members.

The general terms of the draft agreement between the Company and Mr. F. J. Guzdar referred to in resolution in item No.5 of the notice are as under.

A REMUNERATION:

Salary of Rs. 50,000/- per month.

B. COMMISSION:

1% commission on the net profit of the Company, subject to a Ceiling of 50% of the salary or Rs.120,000/- per annum whichever is less.

C. BENEFITS, PERQUISITES AND ALLOWANCES:

Category A

1. Housing:
 - Housing - I) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of sixty percent of the salary
 - Housing - II) In case the accommodation is owned by the Company, ten percent of the salary of Mr. F. J. Guzdar shall be deducted by the Company.
 - Housing-III) In case no accommodation is provided by the Company, Mr. F. J. Guzdar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing - I.

2. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.
3. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
4. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
5. Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
6. Personal Accident Insurance: Premium not to exceed Rs.6,000/- per annum.
7. Contribution to Deferred Annuity @ 15% of the Salary.

Explanation: For the purpose of the category A, "Family" means the spouse, the dependent children and dependent parents of Mr. F. J. Guzdar.

Category B

1. Contribution to Deferred Annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income- Tax Act.
2. The Company shall not be liable to pay contribution to Provident Fund and Gratuity.
3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

1. Provision of Company maintained car with driver for use on Company's business and telephone at residence will not be considered as perquisites.

The maximum ceiling on perquisites under category A will be restricted to an amount equivalent to the annual Salary or Rs. 6,00,000/- per annum, whichever is less.

- D. Mr. F. J. Guzdar is also entitled for privilege leave of one month for every eleven months of service.
- E. Mr. F. J. Guzdar shall also be entitled to attend the Meeting of the Board of Directors or any committee thereof from the date of appointment but no sitting fees shall be paid to him.
- F. Mr. F. J. Guzdar shall be paid the aforesaid remuneration by way of salary and perquisites (except commission) as aforesaid, as minimum remuneration, notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profit or if the profits are inadequate.

- G. Mr. F. J. Guzdar shall be entitled to reimbursement or entertainment expenses actually and properly incurred for the business of the Company.

Appointment Letter dated 31st March, 2008 issued by the Company and accepted by Mr. F.J. Guzdar referred to at item No. 5 of the Notice will be open for inspection by members between 11.00 a.m. to 3.00 p.m. on any working day of the Company at its Registered Office.

Mr. F. J. Guzdar having attained the age of 70, his appointment and remuneration was required to be approved by the members by a special resolution for the year 01.04.2008 from 31.03.2009, Although the resolution was proposed and passed as a special resolution, the notice of the meeting did not include the intention that it was to be passed as a special resolution, as required by section 189 of the Act. Therefore, the Company is now advised to pass a fresh resolution as indicated in item No. 5.

Mr. F. J. Guzdar has over 50 Years of experience in the field of finance. He has worked with the Company as Vice President (Finance) from 1998 and as Vice President (Corporate) since 1997. He has also already served the Company as Whole-Time-Director from 01-10-1998 to 31-03-2008. Your Directors feel that the Company would immensely benefit from the aforesaid wide and varied experience possessed by Mr. F. J. Guzdar. Your Board accordingly recommends his re-appointment.

Mr. F. J. Guzdar is interested in the resolution of Item No. 5 of the Notice since they relate to his own appointment.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract under Section 302.

Item No.6:

Mr. F. J. Guzdar was re-appointed as a Whole time Director of the Company for a period up to 31.03.2010 from 01.04.2009 by the Board of Directors on 26.02.2009 to comply with provision of Section 269 of the Act. The remuneration payable to Mr. F. J. Guzdar and other terms of employment are set out in the Appointment Letter dated 1st April, 2009 issued by the Company and accepted by Mr. F. J. Guzdar, keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of the Act. His appointment and the remuneration payable to him subject to approval of shareholders of the Company at the general meeting.

Thereafter at the Annual General Meeting held on 25.09.2009 Mr. F. J. Guzdar's re-appointment and remuneration was approved by a resolution proposed and passed as a special resolution by the members.

The general terms of the draft agreement between the Company and Mr. F. J. Guzdar referred to in resolution in item no.6 of the notice are as under.

A. REMUNERATION

Salary of Rs. 50,000/- per month.

B. COMMISSION:

1% commission on the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.120,000/- per annum whichever is less.

C. BENEFITS, PERQUISITES AND ALLOWANCES:**Category A**

1. Housing:

Housing - I) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of sixty percent of the salary.

Housing - II) In case the accommodation is owned by the Company, ten percent of the salary of Mr. F. J. Guzdar shall be deducted by the Company.

Housing-III) In case no accommodation is provided by the Company, Mr. F. J. Guzdar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing - I.

2. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.
3. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
4. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
5. Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
6. Personal Accident Insurance: Premium not to exceed Rs.6,000/- per annum.
7. Contribution to Deferred Annuity @ 15% of the Salary.

Explanation: For the purpose of the category A, "Family" means the spouse, the dependent children and dependent parents of Mr. F. J. Guzdar.

Category B

1. Contribution to Deferred Annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax act.
2. The Company shall not be liable to pay contribution to Provident Fund and Gratuity.

3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

1. Provision of Company maintained car with driver for use on Company's business and telephone at residence will not be considered as perquisites.

The maximum ceiling on perquisites under category A will be restricted to an amount equivalent to the annual salary or Rs. 6,00,000/- per annum, whichever is less.

- D. Mr. F. J. Guzdar is also entitled for privilege leave of one month for every eleven months of service.
- E. Mr. F. J. Guzdar shall also be entitled to attend the Meeting of the Board of Directors or any committee thereof from the date of appointment but no sitting fees shall be paid to him.
- F. Mr. F. J. Guzdar shall be paid the aforesaid remuneration by way of salary and perquisites (except commission) as aforesaid, as minimum remuneration, notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profit or the profits are inadequate.
- G. Mr. F. J. Guzdar shall be entitled to reimbursement or entertainment expenses actually and properly incurred for the business of the Company.

Appointment Letter dated 1st April, 2009 issued by the Company and accepted by Mr. F. J. Guzdar referred to at item No.6 of the Notice will be open for inspection by members between 11.00 a.m. to 3.00 p.m. on any working day of the Company of its Registered Office.

Mr. F. J. Guzdar having attained the age of 70, his appointment and remuneration was required to be approved by the members by a special resolution for the year from 01.04.2009 to 31.03.2010. Although the resolution was proposed and passed as a special resolution, the notice of the meeting did not include the intention that it was to be passed as a special resolution, as required by section 189 of the Act. Therefore, the company is now advised to pass a fresh resolution as indicated in item No. 6.

Mr. F. J. Guzdar has over 50 Years of experience in the field of finance. He has worked with the Company as Vice President (Finance) from 1998 and as Vice President (Corporate) since 1997. He has also already served the Company as Whole-Time-Director from 01-10-1998 to 31-03-2009. Your Directors feel that the Company would immensely benefit from the aforesaid wide and varied experience possessed by Mr. F. J. Guzdar. Your Board accordingly recommends his re-appointment.

Mr. F. J. Guzdar is interested in the resolution of Item No. 6 of the Notice since they relate to his own appointment.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract under Section 302.

Item No.7:

Mr. F. J. Guzdar was re-appointed as a Whole-Time-Director of the Company for a period up to 31.03.2011 from 01.04.2010 by the Board of Directors on 08.02.2010 to comply with provision of Section 269 of the Act. The remuneration payable to Mr. F. J. Guzdar and other terms of employment are set out in the Appointment Letter dated 1st April, 2010 issued by the Company and accepted by Mr. F. J. Guzdar, keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of the Act. His appointment and the remuneration payable to him, subject to approval of shareholders of the company at the general meeting.

Thereafter at the Annual General Meeting held on 24.09.2010 Mr. F. J. Guzdar's re-appointment and remuneration was approved by a resolution proposed and passed as a special resolution by the members.

The general terms of the draft agreement between the Company and Mr. F. J. Guzdar referred to in resolution in item no.7 of the Notice are as under.

C. REMUNERATION:

Salary of Rs. 50,000/- per month.

D. COMMISSION:

1% commission on the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.120,000/- per annum whichever is less.

C. BENEFITS, PERQUISITES AND ALLOWANCES:

Category A

1. Housing:

Housing - I) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of sixty percent of the salary.

Housing - II) In case the accommodation is owned by the Company, ten percent of the salary of Mr. F. J. Guzdar shall be deducted by the Company.

Housing-III) In case no accommodation is provided by the Company, Mr. F. J. Guzdar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing - I.

2. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.

3. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year

or three months' salary over a period of three years.

4. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
5. Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
6. Personal Accident Insurance: Premium not to exceed Rs.6,000/- per annum.
7. Contribution to Deferred Annuity @ 15% of the Salary.

Explanation: For the purpose of the category A, "Family" means the spouse, the dependent children and dependent parents of Mr. F. J. Guzdar.

Category B

1. Contribution to Deferred Annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax act.
2. The Company shall not be liable to pay contribution to Provident Fund and Gratuity.
3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

1. Provision of Company maintained car with driver for use on Company's business and telephone at residence will not be considered as perquisites.

The maximum ceiling on perquisites under category A will be restricted to an amount equivalent to the annual salary or Rs.6,00,000/- per annum, whichever is less.

- D. Mr. F. J. Guzdar is also entitled for privilege leave of one month for every eleven months of service.
- E. Mr. F. J. Guzdar shall also be entitled to attend the Meeting of the Board of Directors or any committee thereof from the date of appointment but no sitting fees shall be paid to him.
- F. Mr. F. J. Guzdar shall be paid the aforesaid remuneration by way of Salary and perquisites (except commission) as aforesaid, as minimum remuneration, notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profit or the profits are inadequate.
- G. Mr. F. J. Guzdar shall be entitled to reimbursement or entertainment expenses actually and properly incurred for the business of the Company.

The agreement between the Company and Mr. F. J. Guzdar referred to at item No. 7 of the notice will be open for inspection by members between 11.00 a.m. to 3.00 p.m. on any working day of the Company of its Registered Office.

Mr. F. J. Guzdar having attained the age of 70, his appointment and remuneration was required to be approved by the members by a special resolution for the year 01.04.2010 from 31.03.2011, Although the resolution was proposed and passed as a special resolution, the notice of the meeting did not include the intention that it was to be passed as special resolution, as required by section 189 of the Act. Therefore, the Company is now advised to pass a fresh resolution as indicated in item No.8

Mr. F. J. Guzdar has over 50 Years of experience in the field of finance. He has worked with the Company as Vice President (Finance) from 1998 and as Vice President (Corporate) since 1997. He has also already served the Company as Whole-Time-Director from 01-10-1998 to 31-03-2010. Your Directors feel that the Company would immensely benefit from the aforesaid wide and varied experience possessed by Mr. F. J. Guzdar. Your Board accordingly recommends his re-appointment.

Mr. F. J. Guzdar is interested in the resolution of Item No. 7 of the Notice since they relate to his own appointment.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract under Section 302.

Item No.8:

Mr. F. J. Guzdar was re-appointed as a Whole time Director of the Company for a period up to 31.03.2012 from 01.04.2011 by the Board of Directors on 14.02.2011 to comply with provision of Section 269 of the Act. The remuneration payable to Mr. F. J. Guzdar and other terms of employment are set out in the Appointment Letter dated 1st April, 2011 issued by the Company and accepted by Mr. F. J. Guzdar, keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of the Act. His appointment and the remuneration payable to him subject to approval of shareholders of the Company at the general meeting.

Thereafter at the Annual General Meeting held on 05.08.2011 Mr. F. J. Guzdar's re-appointment and remuneration was approved by a resolution proposed and passed as a special resolution by the members.

The general terms of the draft agreement between the Company and Mr. F. J. Guzdar referred to in resolution in item No.8 of the notice are as under.

E. REMUNERATION:

Salary of Rs. 60,000/- per month.

F. COMMISSION:

1% commission on the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.120,000/- per annum whichever is less.

C. BENEFITS, PERQUISITES AND ALLOWANCES:

Category A

1. Housing:

Housing - I) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of sixty percent of the salary

Housing - II) In case the accommodation is owned by the Company, ten percent of the salary of Mr. F. J. Guzdar shall be deducted by the Company.

Housing-III) In case no accommodation is provided by the Company, Mr. F. J. Guzdar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing - I.

2. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.

3. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

4. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.

5. Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

6. Personal Accident Insurance: Premium not to exceed Rs.6000/- per annum.

7. Contribution to Deferred Annuity @ 15% of the Salary.

Explanation: For the purpose of the category A, "Family" means the spouse, the dependent children and dependent parents of Mr. F. J. Guzdar.

Category B

1. Contribution to Deferred Annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax act.

2. The Company shall not be liable to pay contribution to Provident Fund and Gratuity.

3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

1. Provision of Company maintained car with driver for use on Company's business and telephone at residence will not be considered as perquisites.

The maximum ceiling on perquisites under category A will be restricted to an amount equivalent to the annual salary or Rs.7,20,000/- per annum, whichever is less.

- D. Mr. F. J. Guzdar is also entitled for privilege leave of one month for every eleven months of service.
- E. Mr. F. J. Guzdar shall also be entitled to attend the Meeting of the Board of Directors or any committee thereof from the date of appointment but no sitting fees shall be paid to him.
- F. Mr. F. J. Guzdar shall be paid the aforesaid remuneration by way of salary and perquisites (except commission) as aforesaid, as minimum remuneration, notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profit or the profits are inadequate.

G. Mr. F. J. Guzdar shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

The agreement between the Company and Mr. F. J. Guzdar referred to at item No. 8 of the notice will be open for inspection by members between 11.00 a.m. to 3.00 p.m. on any working day of the Company at its Registered Office.

Mr. F. J. Guzdar having attained the age of 70, his appointment and remuneration was required to be approved by the members by a special resolution for the year 01.04.2011 to 31.03.2012, Although the resolution was proposed and passed as a special resolution, the notice of the meeting did not include the intention that it was to be passed as a special resolution, as required by section 189 of the Act. Therefore, the Company is now advised to pass a fresh resolution as indicated in item No.8.

Mr. F. J. Guzdar has over 50 Years of experience in the field of finance. He has worked with the Company as Vice President (Finance) from 1998 and as Vice President (Corporate) since 1997. He has also already served the Company as Whole-Time-Director from 01-10-1998 to 31-03-2011. Your Directors feel that the Company would immensely benefit from the aforesaid wide and varied experience possessed by Mr. F. J. Guzdar. Your Board accordingly recommends his re-appointment.

Mr. F. J. Guzdar is interested in the resolution of Item No. 8 of the Notice since they relate to his own appointment.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract under Section 302.

Item No.9:

Mr. F. J. Guzdar was re-appointed as a Whole-Time-Director of the Company for a period up to 31.03.2013 from 01.04.2012 by the Board of Directors on 13.02.2012 to comply with provision of Section 269 of the Act. The remuneration payable to Mr. F. J. Guzdar and other terms of employment are set out in the draft agreement to be entered into between the Company and Mr. F. J. Guzdar, keeping in view the provisions of Sections 269, 309, 311 & Schedule XIII of the Act. His appointment and the remuneration payable to him are subject to the approval of shareholders of the Company at the general meeting.

The general terms of the draft agreement between the Company and Mr. F. J. Guzdar referred to in resolution in item No.9 of the notice are as under.

G. REMUNERATION:

Salary of Rs. 70,000/- per month.

H. COMMISSION:

1% commission on the net profit of the Company, subject to a ceiling of 50% of the salary or Rs.140,000/- per annum whichever is less.

C. BENEFITS, PERQUISITES AND ALLOWANCES:**Category A**

1. Housing:

Housing - I) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of sixty percent of the salary.

Housing - II) In case the accommodation is owned by the Company, ten percent of the salary of Mr. F. J. Guzdar shall be deducted by the Company.

Housing-III) In case no accommodation is provided by the Company, Mr. F. J. Guzdar shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing - I.

2. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.
3. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
4. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
5. Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

6. Personal Accident Insurance: Premium not to exceed Rs.7000/- per annum.

7. Contribution to Deferred Annuity @ 15% of the Salary.

Explanation: For the purpose of the category A, "Family" means the spouse, the dependent children and dependent parents of Mr. F. J. Guzdar.

Category B

1. Contribution to Deferred Annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax act.
2. The Company shall not be liable to pay contribution to Provident Fund and Gratuity.
3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C

1. Provision of Company maintained car with driver for use on Company's business and telephone at residence will not be considered as perquisites.

The maximum ceiling on perquisites under category A will be restricted to an amount equivalent to the annual salary or Rs. 840,000/- per annum, whichever is less.

- D. Mr. F. J. Guzdar is also entitled for privilege leave of one month for every eleven months of service.
- E. Mr. F. J. Guzdar shall also be entitled to attend the meeting of the Board of Directors or any committee thereof from the date of appointment but no sitting fees shall be paid to him.
- F. Mr. F. J. Guzdar shall be paid the aforesaid remuneration by way of salary and perquisites (except commission) as aforesaid, as minimum remuneration, notwithstanding that in any financial year of the Company during the aforesaid period, the Company has made no profit or the profits are inadequate.
- G. Mr. F. J. Guzdar shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- H. a) Mr. F. J. Guzdar shall be entitled to first class air or train fare, whichever is convenient and 7expeditious to the Company and shall be entitled to all expenses incurred by him during such travel within India for the business of Company.
b) In the event of his having travelled outside the Indian Union on behalf of The Company or on Company's

business he shall be entitled to all expenses incurred by him during such travels and first class return air passage.

A copy of the draft agreement between the Company and Mr. F. J. Guzdar referred to at Item No. 9 of the Notice will be open for inspection by members between 11.00 a.m. to 3.00 p.m. on any working day of the Company, at its Registered Office.

Mr. F. J. Guzdar has over 50 years of experience in the field of finance. He has worked with the Company as Vice President (Finance) from 1989 and as Vice President (Corporate) since 1997. He has also already served the Company as a Whole-Time-Director from 1.10.1998 to 31.03.2012. Your Directors feel that the Company would immensely benefit from the aforesaid wide and varied experience possessed by Mr. F. J. Guzdar. Your Board accordingly recommends his-re-appointment.

None of the Directors except Mr. F. J. Guzdar is interested in the resolution at Item No. 9 of the Notice since they relate to his own appointment.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract under Section 302.

By order of the Board of Directors

Registered Office:
Rustom Court,
Opp. Podar Hospital,
Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

F.J.GUZDAR
DIRECTOR

Dated:- 17th May, 2012.