

**Annual General Meeting on
Saturday, the 29th July, 2006
at the Registered Office
at 12.00 noon**

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TATA COFFEE LIMITED**COMPANY INFORMATION****Board of Directors****R.K. Krishna Kumar** (*Chairman*)**Y.H. Malegam****D.M. Dasappa****R. Govindarajan****P.T. Siganporia****U.M. Rao** (with effect from 23.01.2006)**Prof. A. Monappa** (with effect from 31.03.2006)**M.H. Ashraff** (*Managing Director*)**Hameed Huq**
*Executive Director (Plantations)***Arunava Sengupta**
*Executive Director (Instant Coffee Operations)***K.B. Somana** (up to 31.03.2006)**H.R. Khusrokhani** (up to 04.10.2005)**Registered Office**Pollibetta - 571 215
Kodagu Karnataka State**Registrars**TSR Darashaw Ltd.
(Unit: Tata Coffee Limited)
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai - 400 001.Telephone: 022-6656 8484 Fax No. 022-6656 8496
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com**Auditors**N.M. Rajji & Co.
SNB Associates**Bankers**Corporation Bank
Indian Overseas Bank
Standard Chartered Bank
Hongkong and Shanghai Banking
Corporation Ltd.
ICICI Bank Ltd.**Board Committees****Audit Committee**Y.H. Malegam - Chairman
R. Govindarajan
Prof A. Monappa (with effect from 31.03.2006)
K. B. Somana (up to 31.03.2006)**Shareholders/Investors Grievance Committee**R. K. Krishna Kumar - Chairman
M. H. Ashraff
R. Govindarajan (with effect from 31.03.2006)
K. B. Somana (up to 31.03.2006)**Remuneration Committee**Y.H. Malegam - Chairman
R. K. Krishna Kumar
R. Govindarajan
Prof. A. Monappa (with effect from 31.03.2006)
K. B. Somana - (up to 31.03.2006)
H. R. Khusrokhani (up to 04.10.2005)

NOTICE

NOTICE is hereby given that the 63rd Annual General Meeting of the Company will be held at the Registered Office of the Company at Pollibetta, Kodagu, on Saturday, the 29th July, 2006 at 12.00 noon to transact the following business :-

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 2006 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr.R.K.Krishna Kumar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr.D.M.Dasappa who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

To consider and if thought fit to pass, with or without modification, the following Resolutions:

6. As an Ordinary Resolution:
RESOLVED that Mr.U.Mahesh Rao be and is hereby appointed as Director of the Company liable to retire by rotation.
7. As an Ordinary Resolution:
RESOLVED that Prof.Arun Monappa be and is hereby appointed as Director of the Company liable to retire by rotation.
8. As an Ordinary Resolution:
RESOLVED that pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with the provisions of Schedule XIII to the Act including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Company is hereby accorded to the re-appointment of and remuneration payable to Mr.M.H.Ashraff as Managing Director of the Company for the period commencing 1st April, 2006 to 31st December, 2006 on the terms and conditions (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) as set out in the Agreement, a copy of which initialed by a Director of the Company for the purpose of identification, is tabled at the Meeting which is hereby specifically approved with liberty to the Board of Directors of the Company (the Board) to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner and to such extent as may be agreed to by the Board and Mr.Ashraff.
9. As an Ordinary Resolution:
RESOLVED that in partial modification of the resolutions passed at the Annual General Meeting of the Company held on 4th August, 2005 and the resolution set out in item No. 8 above of the Notice convening this Meeting and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the Company hereby approves of the revision in the perquisites and allowances payable to Mr.M.H.Ashraff, Managing Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from 1st April, 2005 for the remainder of the tenure of his contract as set out in the Explanatory Statement annexed to the Notice convening this meeting.
RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.
10. As an Ordinary Resolution:
RESOLVED that in partial modification of the resolution passed at the Annual General Meeting of the Company held on 4th August, 2005 and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the Company hereby approves of the revision in the perquisites and allowances payable to Mr.Hameed Huq, Executive Director (P) (including the

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remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from 1st April, 2005 for the remainder of the tenure of his contract as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

11. As an Ordinary Resolution:

RESOLVED that in partial modification of the resolution passed at the Annual General Meeting of the Company held on 4th August, 2005 and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, the Company hereby approves of the revision in the perquisites and allowances payable to Mr.A.Sengupta, Executive Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from 1st April, 2005 for the remainder of the tenure of his contract as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

12 As an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with the provisions of Schedule XIII to the Act including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Company is hereby accorded to the re-appointment of and remuneration payable to Mr.M.H.Ashraff as Managing Director of the Company for the period commencing 1st January, 2007 to 31st March, 2007 on the terms and conditions (including the remuneration to be paid in the event of absence or inadequacy of profits in any financial year) as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors of the Company (the Board) to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner and to such extent as may be agreed to by the Board and Mr.Ashraff.

13. As an Ordinary Resolution:

"RESOLVED that in supercession of the resolution passed at the Annual General Meeting of the Company held on 8th August, 2000 and pursuant to Section 293 (1) (d) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money in any manner from time to time as may be required for the purpose of the business of the Company with or without security and upon such terms and conditions as the Board may deem fit, notwithstanding that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed a sum of Rs.1000 Crores (Rupees One thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves.

14. As an Ordinary Resolution:

RESOLVED that the consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) of the Companies Act, 1956 to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, on such assets and properties of the Company, both present and future and in such manner as the Board may direct, in favour of all or any Banks, financial institutions, investments institutions and their subsidiaries, any other bodies corporate and any other lenders (hereinafter collectively referred to as "the lending agencies") and/or Trustees for the holders of debentures/bonds/ other instruments to secure borrowings of the Company by way of loans/issue of debentures/bonds/other instruments

which may be issued for a sum not exceeding Rs.1000 Crores (Rupees one thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves, which have been/are proposed to be obtained from or privately placed with the lending agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deeds and/or to the lending agencies under their respective agreements/loan agreements/Debenture Trust Deeds entered into/to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the lending agencies/trustees or any of them the documents for creating the mortgages/charges/hypothecations and to accept or make any alterations/changes/variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary for the purpose of giving effect to this resolution.

15. As an Ordinary Resolution:

- (i) RESOLVED that the Authorised Capital of the Company be and is hereby increased from Rs. 20 Crores (Rupees Twenty Crores) to Rs. 25 Crores (Rupees Twenty Five Crores) by the creation of 50,00,000 new equity shares of Rs. 10/- each.
- (ii) RESOLVED that the first paragraph of Clause 5 of the Memorandum of Association of the Company be and is hereby substituted by the following:

The nominal capital of the Company is Rs.25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs. 10/- each.

16. As a Special Resolution:

RESOLVED that Article 4 of the Articles of Association of the Company be substituted by the following:

The Share capital of the Company is Rs.25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs. 10/- each.

By Order of the Board,

M.K.C.Pai
Company Secretary

Bangalore
28th June, 2006

TATA COFFEE LIMITED**NOTES:**

1. The Register of Members of the Company will remain closed from 11th July, 2006 to 25th July, 2006, both days inclusive.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting.**

3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the items of Special Business is annexed hereto.

4. Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company after giving effect to the valid transfers in respect of the Shares lodged with the Company on or before the close of business hours on 10th July, 2006 or to their mandatees. The dividend in respect of Shares held in electronic form would be payable to the beneficial owners of Shares recorded with the depositories as of the end of 10th July, 2006 as per details furnished by the Depositories for the purpose.

5. All unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the warrants in respect of the dividend upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, 2nd Floor, "E" Wing, Kendriya Sadan, Koramangala, Bangalore, Karnataka by making an application in the prescribed Form.

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the unclaimed/unpaid dividend for the financial years ended 31st March, 1996, 31st March, 1997 and 31st March, 1998 have been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31st March, 1999 is in the process of being transferred to the Fund.

Shareholders are requested to note that the Company is statutorily required to transfer to the Fund all dividends which were/are unpaid/unclaimed for a period of seven years from the date they became due for payment. Shareholders who have not yet encashed their warrants in respect of Dividend for the years subsequent to 31st March, 1999 are requested to do so sufficiently in advance before the said transfers take place.

6. Securities and Exchange Board of India (SEBI) vide their circular dated October 15, 2001, has made it mandatory for all Companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS) wherever ECS and Bank Details are available. In the absence of ECS facility being made available for any reason, the Companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors. Shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, the account number and type and also any change of address to the Company's Registrar and Share Transfer Agent, M/s. TSR Darashaw Ltd. (formerly Tata Share Registry Ltd.). In case the holdings are in electronic form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the ECS facility offered by the Company should in addition to the aforesaid bank details also furnish their Bank Branch Code to the Registrar's/Depository Participant. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.

The bank particulars of the Shareholders recorded with the Depository Participant as of the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in electronic form and vice versa.

**Details of Directors seeking appointment/retiring by rotation & seeking re-appointment
(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	R.K.Krishna Kumar	D.M.Dasappa	U.Mahesh Rao	Prof. Arun Monappa	M.H.Ashraff
Date of Birth	18.07.1938	02.01.1935	02.07.1938	10.03.1942	02.01.1945
Date of Appointment	10.01.1991	16.01.1982	23.01.2006	31.03.2006	08.08.2000
Qualifications	M.A. (Economics)	Senior Cambridge/ Indian School Leaving Certificate	B.Com.	M.A. (Political Science & Public Administration), M.Sc. Industrial Relations, J.N.Tata Scholar at L.S.E	B.Sc.
Expertise in specific functional area	Long experience of overall business management of Indian and overseas corporate bodies.	Plantation	Former Managing Director of General Insurance Corporation of India. Long experience in all facets of insurance and risk management as well as administration and management of Companies	Formerly Professor of Personnel Management & Industrial Relations at IIM, Ahmedabad and worked in the Personnel Departments of Organisations in Sweden, USA and India besides being a Planter.	Plantations Former Executive Director of Tata Tea Ltd. Former President - UPASI
Chairmanship/ Directorship of other Companies	As detailed below	Nil	As detailed below	Nil	Nil
Chairmanship/ Membership of other Committees* of the Boards of which he is a Director	As detailed below	Nil	As detailed below	Nil	Nil
Number of Shares held in the Company	Nil	26988**	Nil	Nil	Nil

* Includes Audit, Remuneration and Shareholders'/Investors' Grievance Committees only of other companies.

** includes 5173 shares held jointly with Mrs. Usha Dasappa

Directorships in Companies & Memberships in Committees of Mr.R.K.Krishna Kumar

Sl. No.	Name of the Company	Membership in Committees	
		Name of the Committee	Position held
1.	Tata Sons Limited	Remuneration	Member
2.	Tata Housing Development Co. Ltd.		
3.	Ewart Investments Ltd.		
4.	Indian Resort Hotels Ltd.		
5.	Piem Hotels Ltd.		
6.	Oriental Hotels Ltd.	Remuneration	Member
7.	The Indian Hotels Company Ltd.	1. Remuneration 2. Share Transfer & Shareholders/Investors Grievance	Member Member
8.	Tata Tea Ltd.	1. Audit 2. Remuneration	Member Member
9.	Tata Industries Ltd.		
10.	Taj GVK Hotels & Resorts Ltd.		
11.	E2E SerWiz Solutions Ltd.		

Directorships in Companies & Memberships in Committees of Mr.U.Mahesh Rao

Sl. No.	Name of the Company	Membership in Committees	
		Name of the Committee	Position held
1.	Tata Tea Ltd.	1. Shareholders/Investors Grievance 2. Audit Committee	Member Member
2.	Ispat Industries Ltd.	1. Audit Committee 2. Shareholders/Investors Grievance	Member Chairman
3.	JK Lakshmi Cement Ltd.		

TATA COFFEE LIMITED**EXPLANATORY STATEMENT****Pursuant to Section 173(2) of the Companies Act, 1956.****Item Nos. 6 & 7**

Mr.U.Mahesh Rao and Prof.Arun Monappa were appointed as Additional Directors of the Company by the Board with effect from 23rd January, 2006 and 31st March, 2006 respectively. In terms of Section 260 of the Companies Act, 1956, Mr.Rao and Prof.Monappa hold office till the date of the ensuing Annual General Meeting and are eligible for re-appointment. Notices under Section 257 of the Companies Act, 1956 along with requisite deposits have been received from members signifying their intention to propose the candidature of Mr.Rao and Prof. Monappa as Directors retiring by rotation.

Mr.Rao and Prof.Monappa are interested in the Resolutions pertaining to their respective appointments as set out in Item Nos. 6 & 7. No other Director is interested in these Resolutions.

Item No. 8

The Board of Directors of the Company ("the Board") at its meeting held on 23rd January, 2006 re-appointed Mr.M.H.Ashraff as Managing Director for the period commencing 1st April, 2006 and ending on 31st December, 2006.

Following are the main terms and conditions of the re-appointment of Mr.Ashraff.

1. Subject to the supervision and control of the Board, Mr.Ashraff will be responsible for day-to-day management and operations of the Company and shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.

2. Period of appointment:

1st April, 2006 to 31st December, 2006.

3. **Salary**

Within the scale of Rs. 90,000/- to Rs. 2,50,000/- p.m.

4. **Perquisites & Allowances**

Within the overall ceiling of 140% of the Annual Salary, Mr.Ashraff, would be entitled to the following by way of perquisites in such form and manner as the Board may decide :-

- (a) Furnished accommodation with expenditure on gas, electricity, water and maintenance and repair thereof

OR

House Rent Allowance and House Maintenance Allowance with expenditure on gas, electricity, water and furnishings

- (b) Personal Allowance (which will include servant's allowance and educational allowance) and at the discretion of the Board, Interim Allowance.
- (c) Leave Travel Allowance for self and family
- (d) Medical expenses and medical insurance for self and family
- (e) Personal Accident Insurance
- (f) Club fees and

such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of Company's cars and telephones at residence (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating such ceiling.

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

Note – "Family" for this purpose shall mean the spouse, the dependent children and the dependent parents of the appointee.

5. **Incentive Remuneration** - upto 150% of annual salary to be paid at the discretion of the Board based on certain performance criteria.
6. **Commission** - Such remuneration by way of Commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, which will be linked to performance as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956 ("the Act"). The exact amount payable will be decided by the Board/ Remuneration Committee based on certain performance criteria and will be payable only after the Annual Accounts of the Company have been approved by the Board and adopted by the Shareholders.
7. **Minimum Remuneration** - Notwithstanding anything contained herein, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr.Ashraff by way of salary, perquisites and allowances and incentive remuneration as specified above.
8. The terms and conditions of the re-appointment of Mr. Ashraff as stated above can be altered or varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule XIII of the Act or any amendments made thereto.
9. Mr.Ashraff, will be entitled to leave according to Company's leave rules applicable to Managing/Whole-time Directors.
10. The Managing Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283 (1)(l) of the Act.
11. If at any time Mr.Ashraff ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director of the Company.
12. If at any time Mr.Ashraff ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director of the Company.
13. Mr.Ashraff shall not be entitled to supplement his earnings with any buying or selling commission. He will also not become interested or otherwise concerned directly or through his relatives in any selling agency of the Company without such statutory approvals as may be required to be obtained under the Act.

The Agreement entered into between the Company and Mr.Ashraff is available for inspection by the Members of the Company at the Registered Office of the Company on any working day from 10.00 AM to 12.00 Noon, except Saturdays.

Your Directors recommend the resolution set out in Item No. 8 of the Notice convening the Meeting.

None of the Directors of the Company other than Mr.Ashraff, is in any way concerned or interested in the resolution.

In terms of Section 302 of the Act, the abstract of the terms of the re-appointment of Mr.Ashraff has already been sent to the Shareholders.

Item Nos. 9, 10 & 11

Mr. M. H. Ashraff was re-appointed as the Managing Director of the Company for the periods 3rd January, 2005 to 2nd July, 2005 and 3rd July, 2005 to 31st March, 2006 on the terms and conditions and remuneration as approved by the Shareholders at the 62nd Annual General Meeting of the Company held on 4th August, 2005. The Board of Directors at their Meeting held on 30th May, 2006 re-appointed Mr. Ashraff as the Managing Director for a further period commencing 1st April, 2006 to 31st December, 2006 on the terms and conditions and remuneration as set out in the Explanatory Statement pertaining to item No. 8.

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Mr. Hameed Huq and Mr. A. Sengupta were appointed as Executive Directors of the Company for a period of 3 years with effect from 3rd January, 2005 on the terms and conditions and remuneration as approved by the Shareholders at the 62nd Annual General Meeting of the Company held on 4th August, 2005.

In order to give flexibility to the Board of Directors (the Board) to decide upon the perquisites and allowances to be granted to Managing/Executive Directors from time to time, within the overall ceilings prescribed under the Companies Act, 1956 (the Act), it is proposed to revise the terms of remuneration relating to perquisites and allowances of Mr. Ashraff, Mr. Huq and Mr. Sengupta with effect from 1st April, 2005.

The Board at its meeting held on 30th May, 2006 have approved of the aforesaid proposal, subject to the approval of the Members. All the other terms and conditions of appointment and remuneration of Mr. Ashraff, Mr. Huq and Mr. Sengupta would remain unchanged. The revised terms of remuneration are set out below:

I. Remuneration**Salary**

Mr. Ashraff within the scale of Rs. 90,000/- to Rs. 2,50,000/- p.m.

Mr. Huq within the scale of Rs. 90,000/- to Rs. 1,75,000/- p.m.

Mr. Sengupta within the scale of Rs. 75,000/- to 1,75,000/- p.m.

with annual increments effective 1st April every year, as may be decided by the Board, based on merit and taking into account the Company's performance; benefits, perquisites and allowances as determined by the Board from time to time; and incentive remuneration and/or commission based on certain performance criteria to be prescribed by the Board.

II. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the respective tenures of Mr. Ashraff, Mr. Huq and Mr. Sengupta, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances and incentive remuneration as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 198, 309 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as amended from time to time.

In compliance with the provisions of Sections 309 and 310 read with Schedule XIII of the Act, the revised terms of remuneration of Mr. Ashraff, Mr. Huq and Mr. Sengupta are now being placed before the Members in General Meeting for their approval. The Board commends the Resolutions for approval by the Members.

Mr. Ashraff, Mr. Huq and Mr. Sengupta are concerned or interested in the said resolutions.

This may be treated as an abstract of the revision in the terms of remuneration relating to perquisites and allowances of Mr. Ashraff, Mr. Huq and Mr. Sengupta.

Item No. 12

The Board of Directors of the Company ("the Board") at its meeting held on 30th May, 2006 re-appointed Mr. M. H. Ashraff as Managing Director for the period commencing 1st January, 2007 and ending on 31st March, 2007.

Following are the main terms and conditions of the re-appointment of Mr. Ashraff.

1. Subject to the supervision and control of the Board, Mr. Ashraff will be responsible for day-to-day management and operations of the Company and shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.
2. **Period of appointment:**
1st January, 2007 to 31st March, 2007.