



**pricol limited**

Regd. Office : 702/7, Avanashi Road, Coimbatore - 641 037, India.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty fifth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 3rd August, 2007 at 4.30 p.m. at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended 31st March 2007 and the Report of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Shinji Shirasaki who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. V. Ramakrishnan who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. R. Vidhya Shankar who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Dr. Kalyani Gandhi who was appointed as an additional director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing her candidature to the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr.M.Lakshminarayan who was appointed as an additional director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature to the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in supersession of earlier resolution passed at the Annual General Meeting of the Shareholders of the Company held on 25th June 2004 with regard to appointment of Mrs.Vanitha Mohan as Executive Director of the Company, in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto), the consent of the Company be and is hereby accorded to the reappointment of Mrs.Vanitha Mohan as Executive Director of the Company, for a period of 5 (five) years with effect from 1st April, 2007 on the following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the overall limits specified in Schedule XIII to the Companies Act, 1956 including any statutory

modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

#### REMUNERATION:

- I. Salary : Rupees 50,000 per month in the scale of Rs.50,000-5,000-70,000
- II. Commission: 0.75 % of the Net Profit computed in accordance with Sections 198, 309 and 349 of the Companies Act, 1956.
- III. Others : Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as applicable to other employees. Gratuity payable shall not exceed 15 days salary for each completed year of service.

"RESOLVED FURTHER THAT in the event of no profit or inadequacy of profit, the remuneration payable to Mrs. Vanitha Mohan, Executive Director, shall not exceed the limit specified in Sec.II of Part II of Schedule XIII of the Companies Act, 1956, as modified from time to time or such other limits as may be notified by the Government from time to time as minimum remuneration."

0. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Non-Whole Time Directors of the Company be paid a Commission of an amount not exceeding one percent of the Net Profit of the Company per annum as computed in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, for a period of five years, with effect from 1st April, 2007."

"RESOLVED FURTHER THAT quantum of commission payable to each Non-Whole Time Director may be decided by the Board from time to time as it may deem fit."

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

"RESOLVED THAT pursuant to section 293(1)(d) of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed, together with the monies 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 and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves of the company by more than the sum of Rs.2,000 million at any one time."

#### EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

#### Item No.7:

Dr. Kalyani Gandhi, 58 years of age, is a Graduate (Honours) in Psychology from Ruparel College, Mumbai. She obtained her M.A. in Industrial Psychology from Gujarat University. She did her M.Ed in Educational Psychology and Ed.D. in Labour Studies from Rutgers University, State University of New Jersey, USA.

Currently, she is a Professor of Human Resources Management in the area of Organisation Behaviour, Personnel Management & Industrial Relations and Chairperson, NS Raghavan Centre for Entrepreneurial Learning at Indian Institute of Management Bangalore (IIMB). Her areas of interest are Designing and Implementing Performance Appraisal Systems, Organisation Behaviour, International Human Resources Management, Consumer Behaviour and Entrepreneurship.

Dr. Kalyani Gandhi was awarded a Honorary Fellowship from Oxford Brookes University, UK, in 2005, for her innovative and pioneering work on training and empowering poor women through entrepreneurship. The one month management programme for women is today the most popular program held every year at IIMB during the summer. She was Dean (Organisation Development & Administration) during 1999-2002. She is a member of the National HRD Network and National Institute of Personnel Management.

Before joining IIMB in 1980, Dr. Kalyani Gandhi taught at Kean College of New Jersey and Institute of Management and Labour Relations, Rutgers University, New Jersey, USA. She also worked at Johnson and Johnson, at the Corporate Headquarters at New Brunswick, New Jersey, USA.

She was awarded the George J. Feaster Rutgers Labour Alumni Association Memorial Award for the Best Student of 1977 academic year. The students and peer evaluation at Kean College of New Jersey, USA had placed Dr. Kalyani Gandhi in the top quartile for teaching in 1979. She has a number of research projects to her credit in human resources development in the public sector and banks. She has worked on several women-oriented issues.

She has been offering executive development programmes and has over twenty five years of teaching, training and consultancy experience, both in the USA and India. She is also a director in Bilcare Limited.

The Board commends the resolution set out at Item No.7 of the Notice for your approval.

She is not holding any shares of the company. None of the Directors except Dr.Kalyani Gandhi is in any way concerned or interested in this resolution.

**Item No.8:**

Mr. M. Lakshminarayan, 61 years of age, holds a Masters degree in Technology from the Indian Institute of Technology, Mumbai.

After working in various divisions of Tata Motors (TELCO) at their Pune plant for over 16 years, he joined MICO in 1987 as incharge of the Industrial Equipment Division. After successfully implementing their extension projects and bringing in high technology levels with low cost into the MICO plants, he was deputed to Robert Bosch Germany, to head one of their product division for two years.

On successfully completing of his tenure in Germany, he returned to India to head the operations in Bangalore and subsequently joined the Board in the year 2000 and is presently the Jt. Managing Director incharge of Manufacturing apart from Investments and Quality.

In the past 5 years he was instrumental for the MICO's growth from INR 14,000 million to INR 30,000 million and exports from INR 1,930 million to INR 4,230 million. The expansion in Jaipur plant has been completed under his guidance.

He is deeply connected with the activities of CII and past Chairman, CII Southern Region. He is a member of the core group set up by the Government to advise on the State Industrial Policy 2006 – 2011. He is also the Executive council member of the Indian Machine Tool Manufacturers' Association (IMTMA) and Fellow Member in the Governing Body of The Indian Institution of Production Engineers. He is also a director in MICO Trading Private Limited.

The Board commends the resolution set out at Item No.8 of the Notice for your approval.

He is not holding any shares of the company. None of the Directors except Mr.M.Lakshminarayan is in any way concerned or interested in this resolution.

**Item No.9:**

Mrs. Vanitha Mohan, 54 years of age, is the Executive Director of the company since 1st June, 1999. She is a commerce graduate with a post graduate

diploma in Business Management from the University of Strathclyde, Glasgow, UK. She is also a director in Pricol Travel Limited, Synoro Technologies Limited, Pricol Property Development Limited, Prime Agri Solutions (India) Limited, Tamil Nadu Corporation for Development of Women Limited, Sagittarius Investments Private Limited and Shrimay Enterprises Private Limited. She is also holds membership in the Audit Committee and Shareholders / Investors Relations Committee of the Company.

She heads the Human Resource Development, Internal Audit functions and Corporate Social Responsibilities of the Company. She is the Managing Trustee of Siruthuli, formed by the leading Corporates of Coimbatore with the social objectives of rain water harvesting, deepening and de-silting of ponds, canals & water ways, clearing the water ways & reinforcing the banks, removing encroachment on water bodies, afforestation, garbage management, sewage water management & treatment, beautification of water bodies around Coimbatore and encouraging community participation and social solidarity for preservation of green and clean environment in and around Coimbatore. She holds the office of Vice-President – Civic and Public Affairs of The Indian Chamber of Commerce and Industry, Coimbatore. She is also the Vice President of the Residents Awareness Association of Coimbatore (RAAC).

The present term of office of Mrs.Vanitha Mohan as Executive Director will be expiring on 31st May 2009. At her own request, she was not paid any managerial remuneration. She was eligible for commission as applicable to other non-whole time directors of the company.

The Board of Directors, at their meeting held on 29th May 2007 have re-appointed her as Executive Director for a further period of 5 years with effect from 1st April 2007. Since she is involved full time with the affairs of the Company, on the recommendation of the remuneration committee, the Board desired to pay remuneration to her as set out in the text of the resolution, subject to the approval of the shareholders. The proposed appointment, remuneration and perquisites conform to the requirement of Schedule XIII to the Companies Act, 1956. Part III of Schedule XIII to the Companies Act, 1956, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting.

Mrs. Vanitha Mohan is interested in this resolution. Further, Mr. Vijay Mohan, Chairman and Managing Director and Mr. D. Sarath Chandran, Director may also deemed to be interested in this resolution as they are related to Mrs. Vanitha Mohan.

This may be also treated as an abstract under section 302 of the Companies Act, 1956.

The Board commends the resolution set out at Item No.9 of the Notice for your approval.

#### Item No.10

Shareholders at their meeting held on 23rd August 2002 had approved remuneration by way of commission of an amount not exceeding 1% of the Net Profit to the non-whole time directors for a period of 5 years upto 31st March 2007. Since the said period had expired, it is proposed to pass a resolution enabling the company to make payment of remuneration by way of commission of an amount not exceeding 1% of the Net Profit to the non-whole time directors for a further period of 5 years with effect from 1st April 2007. The quantum of commission payable to each director will be decided by the Board of Directors.

The Board commends the resolution set out at Item No.10 of the Notice for your approval.

All the Directors are deemed to be interested in this resolution.

#### Item No.11:

Pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company cannot borrow money in excess of the aggregate of the paid-up capital of the company and its free reserves without the approval of the shareholders in a General Meeting.

Considering the future requirements for working capital, expansion and modernization programmes of the company, it is proposed to increase the borrowing power limit of the Board of Directors of the Company from the present level of not exceeding Rs.1000 million to Rs.2000 million over and above the aggregate of paid up capital and free reserves of the company.

The consent of the members under Section 293(1)(d) of the Companies Act, 1956, is required for this purpose.

The Board commends the resolution set out at Item No.11 of the Notice for your approval.

None of the Directors of the company is in any way concerned or interest in this resolution.

By order of the Board  
Coimbatore  
29th May 2007  
Vijay Mohan  
Chairman & Managing Director

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON HIS BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. There will not be any distribution of dividend warrants at the AGM Hall. Company's Registrar & Transfer Agent M/s.Integrated Enterprises (India) Limited will dispatch the dividend warrant to the shareholders on 4th August 2007.
3. Instruments of Proxy for use at the above meeting must be lodged at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
4. The Register of Members and Transfer Books of the Company will be closed from 20th July 2007 to 3rd August 2007 (both days inclusive).
5. Payment of Dividend as recommended by the Board of Directors, if approved at the Meeting, will be made on or after 4th August, 2007 to those members whose name appear on the Company's Register of Members on 20th July, 2007 and in respect of shares held in Electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose as on 19th July, 2007. After dispatch of dividend warrants, any request for change in the bank account will not be entertained by the company.
6. Please quote your Folio Number / Client ID and our Company's Name in all your correspondence with Integrated Enterprises (India) Limited, 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017 who are acting as our Registrar & Share Transfer Agents.
7. Members who are holding shares in physical form are requested to intimate immediately their change of address / change of bank account, if any, to the Company / Registrar & Share Transfer Agents quoting reference of the Registered Folio Number.
8. Members who are holding shares in Electronic Form are requested to intimate immediately their change of address / change of bank account, if any, to their respective Depository Participant.
9. Members holding shares in physical form may avail of the facility of nomination by nominating, in the prescribed form, a person to whom your shares in the Company shall vest in the event of death. Interested members may write to the Company / Registrar & Share Transfer Agents for the prescribed form.
10. Please encash your dividend warrants immediately on their receipt by you, as dividends remaining unclaimed for seven years are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government and you shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter.
11. Brief resume of the directors seeking appointment / re-appointment and other details as stipulated under clause 49 of the listing agreement are provided in the Report on Corporate Governance forming part of Annual Report 2007.

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