



pricol limited

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 8th August, 2008 at 4.30 p.m. at Nani Palkhivala Auditorium, Mani Higher Secondary School, Coimbatore - 641 037, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended 31st March 2008 and the Report of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. C.R. Swaminathan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. C.N. Srivatsan who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. Suresh Jagannathan 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 Mr. K. Udhaya Kumar who was appointed as an additional director of the Company with effect from 1st June 2008 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, not liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 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 appointment of Mr. K. Udhaya Kumar, as President & Chief Operating Officer of the company for a period of five years with effect from 1st June 2008."

"RESOLVED FURTHER THAT the appointment shall be 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 90,000 per month in the scale of Rs.90,000 - 10,000 - 130,000.
- II. **Commission** : 0.5% of the Net Profit computed in accordance with Sections 198, 309 and 349 of the Companies Act, 1956.

III. Perquisites

Category 'A'

1. **Housing** : Unfurnished accommodation will be provided by the Company. In its absence, 50% of the salary will be paid as House Rent Allowance.

2. Other perquisites :

The following perquisites shall be allowed limited to 50% of salary:

- a) Medical expenses incurred for self and his family.
- b) Leave (as per rules of the Company).
- c) Leave Travel Concession for self and his family.
- d) Expenditure incurred on gas, electricity, water, furnishings and appliances.
- e) Club expenses for self.
- f) Health and personal accident insurance cover for self.

In any quarter, if the perquisites specified in Part III, Sub-Clause (2) above, are not availed in full (50% of salary), the unutilized portion of the limit shall be either carried over till the end of the term or encashed at the end of every quarter.

Category 'B'

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act. Gratuity payable shall not exceed 15 days salary for each completed year of service.

Category 'C'

Provision of car with driver and telephone facility at his residence.

In the event of no profit or inadequacy of profit, the remuneration payable to Mr. K. Udhaya Kumar, 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.

EXPLANATORY STATEMENT

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

Item No.7:

Mr. K. Udhaya Kumar, 58 years of age, is a Bachelor in Mechanical Engineering from PSG College of Technology, Coimbatore. Before joining Pricol in February 1976, he underwent a practical training for about a year and half at an industry in Coimbatore. Over the last 32 years of service in Pricol, due to his diligent work he has risen to the rank of Senior Vice President and next in line to the CEO. He has rich experience in all the areas of Production, Materials, Quality, Product Development Engineering, Customer Relations etc. He has been all along a key member of the core team responsible for all improvement activities. Over the last 5 years, he has been a Member of the Apex Council, the Top Management in Pricol. He is holding 2 565 shares of the company. He is also a director in PT Pricol Surya, Indonesia.

The Board of Directors, at their meeting held on 29th May 2008 have appointed Mr. K. Udhaya Kumar as an additional director designated President & Chief Operating Officer for a period of 5 years with effect from 1st June 2008 and fixed the remuneration payable to him as set out in the text of the resolution. 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. Accordingly, the resolution under item no: 7 of the Notice is recommended by the Board of Directors for approval by the Members.

Mr. K. Udhaya Kumar is not related to any member of the Board.

This notice shall be treated as an abstract of the terms of appointment and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

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

None of the Directors except Mr.K.Udhaya Kumar is in any way concerned or interested in this resolution.

By order of the Board

Coimbatore
29th May 2008

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. Brief resume of the directors seeking appointment / reappointment 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 2008.
3. 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 9th August 2008.
4. 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.
5. The Register of Members and Transfer Books of the Company will be closed from 26th July 2008 to 8th August 2008 (both days inclusive).
6. Payment of Dividend as recommended by the Board of Directors, if approved at the Meeting, will be made on or after 9th August, 2008 to those members whose name appear on the Company's Register of Members on 26th July, 2008 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 25th July, 2008. After dispatch of dividend warrants, any request for change in the bank account will not be entertained by the company.
7. Please quote your Folio Number 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.
8. 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 Agent quoting reference of the Registered Folio Number.
9. 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.
10. If you have shares registered in the same name or in the same order of names but in several Foliros, please let us know so that we may consolidate them into one Folio.
11. You may now 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 Registrar & Share Transfer Agent for the prescribed form.
12. 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.

