



REDINGTON (INDIA) LIMITED

Regd. Office: SPL Guindy House, 95, Mount Road, Guindy, Chennai-600 032.
www.redingtonindia.com

POSTAL BALLOT NOTICE

Pursuant to Section 192A of the Companies Act, 1956.

Dear Member(s),

Notice is hereby given pursuant to Section 192A (2) of the Companies Act, 1956, read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001, that, the enclosed resolutions for the purpose of:

- (i) Alteration of the Objects as contained in Clause III of the Memorandum of Association of the Company pursuant to the provisions of Section 17 of the Companies Act, 1956,
- (ii) Alteration of Articles of Association of the Company pursuant to the provisions of Section 31 of the Companies Act, 1956

are proposed to be passed as Special Resolutions by way of Postal Ballot.

The Company is seeking your consent for the proposals as contained in the draft Special Resolutions set out below. Accordingly, the draft resolutions and explanatory statement setting out all the relevant material facts and the reasons for which such resolutions are proposed, are being sent to you for your consideration along with a Postal Ballot Form and self-addressed postage pre-paid envelope.

The Company has appointed Mr. A. S. Varadarajan, Practising Chartered Accountant, as the Scrutinizer for conducting the postal ballot process.

Please read carefully the instructions printed in the Postal Ballot Form and return the form (no other form or photo copy thereof is permitted) duly completed, in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer at the address of the Company on or before Wednesday, the 10th day of September, 2008. The Scrutinizer will submit his report after completion of the scrutiny and the result of the postal ballot will be declared on Friday, the 12th day of September 2008, at the Registered office of the Company, at SPL Guindy House, 95, Mount Road, Guindy, Chennai - 600 032. The result will also be published on the website of the Company (www.redingtonindia.com).

The Board of Directors has appointed Mr. R. Srinivasan, Managing Director, Mr. S.V. Krishnan, Chief Financial Officer and Mr. M. Muthukumarasamy, Secretary of the Company as the persons responsible for the entire Postal Ballot Process.

All the documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays between 11.00 A.M and 1.00 P.M upto 10th September, 2008.

DRAFT RESOLUTIONS:

1. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 17 and other applicable provisions of the Companies Act, 1956 (including the statutory modifications or re-enactments thereto for the time being in force), and subject to such approvals, sanctions or confirmations as may be required, consent of the members be and is hereby accorded to alter Clause III of Memorandum of Association of the Company so as to read as under:

(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS OF THE COMPANY:

Insertion of the following clauses after the existing Clause 3, and the subsequent clauses be re-numbered accordingly:

4. To enter into any contract, agreement, arrangement or other dealings in the nature of collaboration or otherwise including entering into partnership and/ or filing in tenders for various contracts, which may seem profitable or beneficial for the Company.
5. To purchase or otherwise acquire, construct, erect, laydown, maintain, enlarge, alter work and use all land and buildings, easements, other works, machinery, plant, mills, stock, lamps, pipes, motors, fittings, meters, apparatus, materials and things as may be necessary, incidental or convenient, in connection with the production, use, storage, regulation, measurement, supply and distribution of any of the products of the Company.
6. To promote, form and register, and aid in the promotion, formation and registration of any company or companies, subsidiary or otherwise, for the purposes of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to transfer to any such company or any other company any property of the Company and to be interested in or take or otherwise acquire, hold, sell, transfer or otherwise dispose of in any manner in the best interest of the Company, of share, stock, debentures and other securities in or of any such company or any other company for all or any of the objects mentioned in this memorandum, and to undertake other works, duties and business of any company on such terms as may be arranged for the purpose of the main objects of the Company.

Insertion of the following clause after the existing Clause 15, and the subsequent clauses be re-numbered accordingly:

19. To grant pensions, allowances, gratuities and bonuses to existing or former employees and officers (including Directors) of the Company or their dependents or connections and to make payments towards insurance for any such purpose /persons and to establish, join and support and trusts, funds or scheme (whether contributory or non-contributory) with a view to provide pensions or allowances for any such person or any other associations, institutions, trusts, funds, schemes, clubs and conveniences calculated to benefit any such person.

Insertion of the following clause after the existing Clause 16, and the subsequent clauses be re-numbered accordingly:

21. Subject to Section 293A of the Act, to make donations to such person or persons either in cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and to subscribe, contribute or otherwise assist or grant money for charitable, scientific, religious, benevolent, national, public or other institutions or objects or for any exhibition or for any public, general or other objects and to establish, support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of the employees or of persons having dealings with the Company or the dependents, relative or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds of or such persons.

Insertion of the following clauses after the existing Clause 38, and the subsequent clauses be re-numbered accordingly:

44. To carry on the business of commission agents, contractors, factors, general merchants, exporters and importers, concessionaires, general store-keepers, carriers forwarding contractors, forwarding agents, warehousemen and to act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise and either alone or jointly with other and either by or through agents, sub contractors, trustees or otherwise.
45. To act as Aadaas, selling agents, purchasing agents, factors, mucedums, carriers, jatha merchants, landing and forwarding agents, storing agents, dealers, distributors and representatives of manufacturers.
46. To carry on the business of investment, hire-purchase and leasing, including the business of underwriting and guaranteeing of subscription to shares, debentures, bonds and other securities floated both by Government and in the private sector.
47. To carry on all kinds of promotion business and in particular to form, constitute, float, lend money to assist, and control any companies, associations or undertakings whatsoever.
48. To buy, sell, manufacture, repair, alter and exchange, let on hire, export, and deal in all kinds of articles and things which may be required for the purposes of any of the said businesses, or commonly supplied or dealt in by persons engaged in any such businesses, or which may seem capable of being profitably dealt with in connection with any of the said businesses.
49. To apply for tender, purchase or otherwise acquire any contracts, sub-contracts licenses and concessions for or in relation to the objects or business herein mentioned or any of them, and to undertake, execute, carry out, dispose of otherwise turn to account the same.
50. To arrange for Insurance coverage of the risks of all kinds, which are likely to affect the company, its business arrangements, Associates and Joint Ventures.
51. To undertake and execute systems audits for persons owning or using computer systems, and to generally assist them in the more economic and efficient utilisation thereof.
52. To co-ordinate the activities of the company's subsidiaries, if any and/or the subsidiaries of the group companies to determine their economic and financial objectives / targets and to review, control, guide and direct their performance with a view to secure optimum utilization of all resources placed at their disposal.

Insertion of clause (C) after Clause (B):

(C) OTHER OBJECTS:

54. To carry on the business of an investment company and to buy, underwrite, invest in, and to acquire and hold shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debenture, debenture stocks, bonds, obligations and securities issued or guaranteed by any Government, State, Dominion, Sovereign, Ruler Commissioners, Public body or authority supreme, municipal, local or otherwise or firm or person whether in India or elsewhere and to deal and turn to account the same.
55. To carry on the business related to the electronic industry, textiles, chemicals, hotels, construction and engineering items.
56. To transact and carry on all kinds of agency business and in particular to collect rents and debts and to negotiate loans, to find investments, and to issue and place shares, stocks, debentures, debenture stocks or securities for the above business of the Company.
57. To carry on business of every kind and to act as merchant, trader, commission or other agents in any other capacity whatsoever in India or in any part of the world to carry on the business of providing service of every kind and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, produce, article, merchandise, services, conveniences and amenities of every kind which will be required for the business of the Company.
58. To carry on the business of advertising contractors and agents and any other business which may be usefully carried on in connection with such business and to acquire and undertake the whole or any part of the business property and liabilities of any person or company carrying on business as such contractor or agents, or any other business which may be usefully carried on in connection therewith.
59. To manufacture, export, import, buy, sell, rent, hire or lease or otherwise acquire, dispose of or deal in all kinds of digital systems, numerical controller, flexible manufacturing systems, robots, communication systems, computers, computer peripherals, computer software, computer hardware, computer technology, machines, computer aided teaching aids, energy saving devices, alternative sources of energy, electrical and electronics, components, devices, instruments, equipments and controls for any engineering applications, and all other related components, parts and products used in communication and computers.
60. To carry on the business as exporters and to act as an export house.

61. To lend and advance moneys to entrepreneurs, business houses, industrial concerns/enterprises and to carry out financing commercial activities and activities in the industrial and agricultural sectors and to financial institutions, banks and in respect of material, products, articles and things whether for household use or consumption or otherwise.
62. To enter into contracts or arrangements for undertaking and execution of projects in the fields of engineering generally and to do all acts, matters and things directly related thereto including recruitment of technical and other personnel and to manufacture, buy, sell, repair, hire, store, develop and deal in all kinds of plant and other equipment including for generation, accumulation, transmission, distribution and supply of electricity, solar energy and other forms of power whether for lighting, heating, cooling, sound communications or otherwise, for domestic industrial or agricultural purposes.
63. To carry on the business of manufacturers, importers, exporters, buyers, sellers and distributing agents of, and dealers in all kinds of patent, pharmaceutical, medical and medical preparations, compounds and articles of all kinds, chemists, druggists and chemical manufacturers and to manufacture, make, prepare, buy, sell and deal in all articles, substances and things commonly or conveniently used on or for making up, preparing, or packing, any of the products in which the company is authorised to deal or which may be required by customers or person having dealings with the company and to purchase, sell, import, export, manufacture and to carry on the business of distributing agent or dealers in perfumes, creams, unguents, hair dressings, washes, pomades, dyes, cosmetics, skin preparations, soaps, oils, oleaginous and vapourous substances, beauty specialities, toilet requisites, preparations and accessories of every description and of manufacture, make up, prepare, buy, sell and deal in all articles, substances and things commonly or conveniently used on, in or for making up, preparing or packing any of the products in which the company is authorised to deal or which may be required by customers.
64. To manufacture, purchase, sell import, export or otherwise deal in paper, newsprints, paperboard, starboard, hardboard, fibreboard, chipboard, corrugated paper, transparent paper, craftpaper, carbons, inks, parchment and corks and or packing material, cartons, containers, boxes and cases made of paper, boards, wood glass, plastic pump, cellulose films, polythene, rubber, tube metals, metal foils, getakine, jin, flexible, neated, laminated or other materials.

"RESOLVED further that, the Board of Directors, be and is hereby authorised to do or cause to do all such acts, deeds, matters and things and to execute all such deeds, documents, instruments and writings as may deem necessary in relation thereto, and to file all the necessary documents with Registrar of Companies, for the purpose of giving effect to this resolution."

2. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 (including the statutory modifications or re-enactments thereto for the time being in force), and subject to such approvals, sanctions or confirmations as may be required, consent of the members be and is hereby accorded to alter the following regulations in the Articles of Association of the Company in the manner given under:

Substitution of the existing regulations by the following regulations:

- 2 (ii) "Act" means the Companies Act, 1956, as amended from time to time and any statutory modifications or re-enactments thereof for the time being in force.
"Board" means the duly constituted Board of Directors of the Company from time to time, or the Directors of the Company collectively.
- 4 (b) Power to issue shares under Employees Stock Option / Purchase Scheme
Subject to the provisions of the Act and Rules made there under, the Company may issue shares to its employees under Employees Stock Option / Purchase Scheme or such other schemes as may be permitted by the Law.
- 26 (a) The Board of Directors may appoint any one or more members of the Board as Chairman and / or Managing Director(s) or Joint Managing Director(s) or Whole-time Director(s), upon such terms and conditions as they may deem fit.
- (b) The Board may appoint any person by whatever name called as Executive Director, Technical Director, Finance Director or Director in charge of any specific function or functions, upon remuneration or otherwise and delegate all or any powers to all or any of them.
- (c) Additional Directors or Directors in the Casual vacancy may be appointed by the Board of Directors subject to the provisions of Article 22 and 23 above.
- (d) Alternate Director
The Board may appoint an Alternate Director to act for a Director during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held and such person shall be one who is designated by the Board of Directors.
An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he had been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
- (e) Debenture Director
Any Trust Deed for securing debentures or debenture stocks may, if so arranged, provide for the appointment from time to time by the Trustees thereof or by the Holders of Debentures or debenture stocks of some person to be a Director of the Company and may empower such Trustees, holder of Debentures or Debenture Stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term

"Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the company. The Trust Deed may contain such ancillary provisions as may be arranged between the company and the Trustees and all such provisions shall have effect, notwithstanding any of the other provisions herein contained.

(f) Corporation Director

Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or Body (hereinafter in this Article referred to as "The Corporation") out of any loans granted by them to the company or so long as any liability of the company arising out of any guarantee furnished by the corporation on behalf of the company remains defaulted, or the company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or persons as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s).

The Board of Directors of the company shall have no power to remove from office the Nominee Director/s so long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the company and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the company.

The Nominee Director/s so appointed shall hold the said office so long as any moneys remaining owing by the company to the Corporation or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the company to the corporation are paid off or on the satisfaction of the liability of the company arising out of the guarantee furnished by the corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are the member(s). The Corporation shall also be entitled to receive all such notices. The company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission moneys or remuneration in any form is payable to the directors of the company, the fees, commission moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or directorship shall also be paid or reimbursed by the company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is/are an officer/s of the Corporation, the Sitting Fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the company directly to the corporation.

The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may, at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing.

31. Resolution by Circulation

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be), and to all other Directors or members of the Committee, at its usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by the majority of such of them as are entitled to vote on the resolution.

32. Frequency of meetings

The Board shall meet at least once in every three calendar months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice of every meeting of the Board shall be given in writing to every Director of the Company for the time being in India, and at his usual address in India to every other Director.

33. Meetings by Telephone/Tele-conferencing/Video-conferencing

The meetings of the Boards may be conducted by way of telephone/tele-conferencing/video-conferencing or any other mode, as may be permitted or allowed by the statutory or other regulatory authorities, from time to time.

A Director participating in a Board Meeting by telephone or tele-conferencing or video-conferencing shall be considered to be present at the meeting for the purposes of voting and participating generally.

37. If a meeting of the Board could not be held for want of quorum, the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman. The Board may take binding decisions at such adjourned meeting provided quorum as specified in clause no. 34(a) is present at such meeting.

38. Powers of Board of Directors

(a) General Powers

Subject to as elsewhere provided in these presents, the Board shall have powers and do all such acts and things as the Company is authorised to exercise except such powers as are required by the law or by these presents to be exercised or done by the Company in general meeting. In exercising such powers or doing any such acts or things, the Board shall be subject to the provisions contained in that behalf in these presents or in any regulations, not inconsistent herewith and duly made there under, including regulations made by the Company in general meetings.

A meeting of the Board for the time being at which a quorum is present; shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable generally.

(b) Borrowing Powers

The Directors may, from time to time at their discretion, borrow and secure the payment of any sum or sums of money for the purpose of the Company. The Directors may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its un-called capital for the time being.

(c) Power to appoint Committee

The Board may, subject to the provisions of the Act and these Articles, from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit and may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

39. Without prejudice to the general powers conferred by the Articles, and to any other powers or authority conferred by these presents on the directors or on the Managing Directors, it is hereby expressly declared that the Directors shall subject to the applicable Act have power to do or cause to be done any of the following:

- (i) To purchase or otherwise acquire for the Company and property, rights or privileges which the Company acquires at such price and generally on such terms and conditions as they think fit, and subject to the provisions of Section 293(1)(a) of the Act, to sell, let, exchange or otherwise dispose off absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such considerations as they may think fit.
- (ii) At their discretion, to pay for property rights, privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares (subject to section 81 of the Act), bonds, debentures, or other securities of the Company and any such shares may be issued fully paid up or with such amount credited as paid up thereon as may be either at agreed upon; and such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (iii) To secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit, subject to section 293 of the Act.
- (iv) To appoint person or persons (whether incorporated or not) to accept and hold in trust for the Company and any property belonging to the Company or in which it is interested or for any other purposes, and to execute and to do all such deeds, documents and things as may be necessary in relation to any such trust and to provide for the remuneration of the trustee or trustees.
- (v) Subject to the provisions of Section 293(1)(b) of the Act, to institute, conduct, defend, compound, or abandon, any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company.
- (vi) To refer any claims or demands by or against the Company to arbitration and observe and perform awards.
- (vii) To act on behalf of the Company in all matters related to bankruptcy and insolvency.
- (viii) From time to time, to provide for the management of the affairs of the Company either in different part of India or elsewhere in such manners as they think fit, and in particular to establish branch offices and to appoint any persons to be the Attorneys or agents of the Company with such powers (including the powers to sub-delegate) and upon such term as they may think fit.
- (ix) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- (x) Subject to the provisions of Section 200 and 294 of the Act, to give to any person employed by the Company, as remuneration for their services as such, a commission on profits of any particular business or transaction or a share in the profits of the Company, such commission or share or profits shall be treated as part of the working expenses of the Company.
- (xi) From time to time make, vary and repeal byelaws for the regulation of the business of the Company, its officers and servants.
- (xii) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (xiii) Subject to the provisions of Section 293(1)(e) and 293A of the Act, to establish, maintain, support and subscribe to any national, political and charitable institutions or funds of public object, and any Institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on its business, to give pensions, gratuities or charitable aid to any person or persons who has served the Company, or the wives, children or dependents of such person or persons, that may appear to the Director just and proper, whether any such persons, his widow, children or dependents have or have not a legal claim upon the Company.

- (xiv) Subject to the provisions of the Act, before recommending any dividends, to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensation or other benefits or to create any provident or benefit or other funds in such or any other manner as the Directors may deem fit.
- (xv) To make and alter the rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said funds and the application and disposal thereof and otherwise in relations to the working and management of the said fund as the Directors shall from time to time deem fit.
- (xvi) Subject to the provisions of the Act, to delegate all or any of the powers hereby conferred upon them, to the Managing Director or to any other Director or employees of the Company as they may from time to time think fit, other than the power to issue debentures and make calls on shareholders in respect of the moneys unpaid on their share.

40. Powers of Managing Director

- (i) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire and to sell, let, exchange or otherwise dispose of absolutely any such rights, privileges and undertakings of the Company at such price and for such consideration and on such terms and conditions as are in the interests of the Company.

The remaining sub regulations under Regulation 40 shall remain unaltered.

42. Minutes to be made

The Board shall in accordance with the provision of Section 193 of the Companies Act, cause minutes to be kept of every General Meeting of the Company and of every meeting of the Board.

"RESOLVED further that, the Board of Directors, be and is hereby authorised to do or cause to do all such acts, deeds, matters and things and to execute all such deeds, documents, instruments and writings as may deem necessary in relation thereto, and to file all the necessary documents with Registrar of Companies, for the purpose of giving effect to this resolution."

By order of the Board

M. Muthukumarasamy
Company Secretary

Place : Chennai
Date : July 25, 2008

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192A OF THE COMPANIES ACT, 1956

Item Nos: 1 and 2

Memorandum and Articles of Association (MOA) of the Company was framed in the year 1961 when the Company was incorporated and has got amended few times to pave way for reflecting changes in the company's activities and changes in the Indian Companies Act, 1956.

No thorough overhaul was done in the MOA to meet various requirements for a listed company and to enable the company to handle varied transactions both organically and inorganically. Keeping this in mind and as opined by the legal counsel, we propose to amend the MOA and bring it in line clearly with the existing regulatory requirements.

Your directors are of the view that making such alterations in the Company's MOA would enable the Company to place itself in a better position in terms of laws applicable to it.

Hence, the Board of Directors recommend the special resolutions set out in the notice above, for your approval.

Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001.

The MOA of the Company shall be available for inspection of the members at the Registered Office of the Company on all working days except Saturdays between 11.00 A.M. and 1.00 P.M. upto 10th September, 2008.

None of the Directors of the Company are concerned or interested in the aforesaid special resolutions.

By order of the Board

M. Muthukumarasamy
Company Secretary

Place : Chennai
Date : July 25, 2008

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form (no other form or photo copy thereof is permitted) and send it to the Scrutinizer, Mr. A. S. Varadarajan, at the address of Company in the attached self-addressed postage pre-paid envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expense of the Registered Shareholder, will also be accepted.
2. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
3. Duly completed Postal Ballot Forms should reach the Company not later than the close of working hours on Wednesday, the 10th day of September, 2008. All Postal Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.
4. In case of shares held by Companies, trust, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Letter of Authority.
5. A shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item 3 above.
6. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders on the date of dispatch of the Notice.
7. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope as such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed.
8. A tick (✓) mark should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. Incomplete, unsigned, improperly or incorrectly tick (✓) marked Postal Ballot Form will be rejected.
9. There will be only one Postal Ballot Form for every folio irrespective of the number of joint member(s).
10. The Scrutinizer's decision on the validity of Postal Ballot Form shall be final and binding.