

BIRLA CORPORATION LIMITED

Registered Office: Birla Building,
9/1, R.N. Mukherjee Road, Kolkata – 700 001

NOTICE TO SHAREHOLDERS

Further to our Notice dated 28th April, 2011 regarding Postal Ballot, the shareholders are hereby informed that the Company Law Board (CLB), Principal Bench, New Delhi vide its Order dated 17th June, 2011 has given certain directions including restraining the Company from further proceeding with the voting through Postal Ballot in respect of Special Resolutions seeking amendment to the Object Clause of the Memorandum of Association of the Company.

The Company is in the process of filing an appeal against the above order of CLB in the Hon'ble High Court at Calcutta.

For **BIRLA CORPORATION LIMITED**

Sd/-

Place: Kolkata
Date: 23rd June, 2011

Girish Sharma
Vice-President (Indirect Taxes)
& Acting Company Secretary

BIRLA CORPORATION LIMITED

NOTICE

To the Shareholders

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at Kalpataru Uttam Mancha, 10/1/1, Manohar Pukur Road, Kolkata-700 026, on Monday, the 27th July, 2009 at 10.30 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a director in place of Shri Pracheta Majumdar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Vikram Swarup, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri B. B. Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
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 the vacancy caused by the sad demise of Shri Rajendra S. Lodha be not filled up."
8. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:-
"RESOLVED that in partial modification of the Resolution passed at the Annual General Meeting of the Company held on 19th September, 2006 and in accordance with the provisions of Sections 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the variation in the terms and conditions of remuneration payable to Shri B.R. Nahar, Executive Director & Chief Executive Officer of the Company (circulated earlier) with effect from 1st April, 2008, for the remaining tenure of his office i.e. till 2nd August, 2009 as have been approved by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include Remuneration Committee) of the Company at its meeting held on 31st July, 2008 and as set out in the agreement on revision in his remuneration."
9. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:-
"RESOLVED that in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the re-appointment of Shri B.R. Nahar as Executive Director and Chief Executive Officer of the Company, not liable to retire by rotation, for a period of 5 years with effect from 3rd August, 2009 be and is hereby approved on the terms and conditions including remuneration as set out in the draft agreement to be entered into by the Company with him and placed before the meeting for approval, with further authority to the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include Remuneration Committee) of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed between the Board and Shri B.R. Nahar provided that the total remuneration payable to Shri B.R. Nahar shall not exceed the limit specified under the Companies Act and Schedules appended thereto as amended from time to time."

Registered Office:
Birla Building,
9/1, R.N. Mukherjee Road,
Kolkata-700 001.
Dated, the 22nd May, 2009

By Order of the Board

Girish Sharma
Vice-President (Indirect Taxes)
& Acting Company Secretary

Notes:

- (1) **A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting.**
- (2) Members/Proxies should bring the enclosed Attendance Slip duly filled in along with their copies of Annual Report for attending the Meeting.
- (3) The Register of Members and the Share Transfer Books of the Company will remain closed from 14th July, 2009 to 27th July, 2009 (both days inclusive).
- (4) Dividend on ordinary shares, when approved at the Meeting, will be paid to those members —
 - (a) whose names appear as Beneficial Owners as at the end of business hours on 13th July, 2009, in the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 13th July, 2009.
- (5) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 7, 8 & 9 as set out above is annexed hereto.
- (6) Shareholders who have not so far encashed their Dividend Warrants for the accounting years ended 31st March, 2004, 2005, 2006, 2007 & 2008 may immediately approach the Company for revalidation of unclaimed Dividend Warrants.
- (7) As required under the Listing Agreement with the Stock Exchanges, given below are the details of the Directors who are proposed to be appointed/re-appointed:

Shri Pracheta Majumdar

Shri Pracheta Majumdar is a Mechanical Engineer and a Management Advisor by profession. He possesses more than 40 years of experience in diverse fields. He has worked in the fields of design and project management of Chemicals, Petrochemical and Fertilizer plants. He has worked with Hindustan Lever Limited for 12 years. He was the Managing Director of CEAT Tyres Limited. Shri Majumdar has attended various international management seminars across the world.

Shri Pracheta Majumdar is on the Board of the following Companies: M/s. Vindhya Telelinks Limited and M/s. East India Investment Co. Private Limited.

He is the Chairman of the Remuneration Committee and Member of the Audit Committee and the Share Transfer Committee of M/s. Vindhya Telelinks Limited.

Shri Pracheta Majumdar, aged about 65 years, holds 500 shares of the Company, jointly with other shareholder.

Except Shri Pracheta Majumdar, none of the other Directors may be deemed to be concerned or interested in this item.

Shri Vikram Swarup

Shri Vikram Swarup, a Mechanical Engineer, having obtained First division with honours, is acknowledged as an authority on thermal design of cooling towers in India. He has vast experience in Marketing, Engineering and other General Management functions.

He is the Managing Director of M/s. Paharpur Cooling Towers Limited and is also on the Board of following Companies: Doypack Private Limited, Hastera Private Limited, Industrial & Prudential Investment Company Limited, L&T Infocity Infrastructure Limited, Melvin Powell Vanaspati & Engineering Industries Limited, Selecto Pac Private Limited and ThyssenKrupp Industries India Private Limited.

He is not a member of any of the Committees in any of these Companies.

Shri Vikram Swarup, aged about 61 years, holds 500 shares of the Company, jointly with other shareholder.

Except Shri Vikram Swarup, none of the other Directors may be deemed to be concerned or interested in this item.

Shri B.B. Tandon

Shri B.B. Tandon, an IAS since 1965, became Election Commissioner in 2001 and retired as Chief Election Commissioner of India. He was also a member of Delimitation Commission from 12th July, 2002 to 15th July, 2005.

He was Secretary, Ministry of Personnel, under the direct charge of the Prime Minister as well as Secretary, Mines to the Government of India. He served in several Ministries as Additional Secretary including as in-charge of the Department of Company Affairs as well as in the Cabinet Secretariat and in the Ministry of Finance. He also served in various senior positions in the Ministry of Industry and in the Ministry of Defence Production.

Shri Tandon also headed the working group on comprehensive revision of the Companies Act, 1956, which recommended several changes/amendments in the said Act.

Shri B.B. Tandon is on the Board of following Companies: Adani Power Limited, Ambuja Cement Foundation, Bhushan Steel Limited, Cosmo Ferrites Limited, Dhampur Sugar Mills Limited, Exicom Tele-Systems Limited, Filatex India Limited, Jai Prakash Hydro Power Limited, Jai Prakash Power Ventures Limited, Nagarjuna Fertilizers & Chemicals Ltd, Oriental Carbon & Chemicals Limited, Precision Pipes and Profiles Limited, Smart Digvision Private Limited, Vikas Global One Limited, and VLS Finance Limited.

He is the Chairman of the Remuneration Committee and Member of the Audit Committee and Finance Committee of Adani Power Limited, Chairman of the Share Transfer & Investors' Grievance Committee and Member of the Audit Committee of Cosmo Ferrites Limited, Member of the Remuneration Committee of Exicom Tele-Systems Limited, Member of the Audit Committee of Filatex India Limited, Member of the Asset Sale Management Committee of Nagarjuna Fertilizers & Chemicals Limited, Chairman of the Remuneration Committee and Member of the Audit Committee and Preferential Issue of Warrants Committee of Oriental Carbon & Chemicals Limited, Chairman of the Remuneration Committee and Member of the Audit Committee of Precision Pipes and Profiles Limited, Chairman of the Remuneration Committee of Vikas GlobalOne Limited, and Member of the Shareholders/Investors Grievance Committee of VLS Finance Limited.

Shri B.B. Tandon, aged about 68 years, holds 500 shares of the Company, jointly with other shareholder.

Except Shri B.B. Tandon, none of the other Directors may be deemed to be concerned or interested in this item.

Shri B.R. Nahar

Shri B.R. Nahar is a Commerce Graduate and a Fellow Member of the Institute of Chartered Accountants of India and possesses 35 years' professional experience in diverse fields at senior positions in various large corporate houses.

Shri B.R. Nahar is on Board of the following Companies: Birla Cement (Assam) Limited, Birla North East Cement Limited, Birla Odessa Industries Private Limited, Birla Readymix Private Limited, BRN Commodities & Trading Company Private Limited, Budge Budge Floorcoverings Limited, Mili Capital Management Private Limited, Mili Consultants & Investment Private Limited, New-Age Cement Limited, Talavadi Cements Limited and Thiruvaiyaru Industries Limited.

He is not a member of any of the Committees in any of these Companies.

Shri B.R. Nahar, aged about 58 years, holds 500 shares in the Company, jointly with other shareholder.

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

Items of Special Business:

Item No. 7

Shri Rajendra S. Lodha, Chairman of the Company, left for his heavenly abode on 3rd October, 2008. The vacancy in the Board of Directors caused by his death is proposed not to be filled up. The resolution is accordingly recommended for your acceptance and approval.

Item Nos. 8 & 9

The Board of the Company at its meeting held on 31st July, 2008, had approved subject to the approval of the Members at the Annual General Meeting, the following variations in the terms of remuneration payable to Shri B.R. Nahar, Executive Director & Chief Executive Officer of the Company with effect from 1st April, 2008 as under:

01. Revision in the amount of monthly basic salary payable to him to Rs.165000/- (Rupees one lac sixtyfive thousand only) per month during the period from 1st April, 2008 to 31st March, 2009, with a further authority to the Board to revise the monthly basic salary up to a maximum of Rs.195000/- (Rupees one lac ninetyfive thousand only) per month during the remaining period of his tenure.
02. Revision in the amount of ceiling of the annual Performance Linked Bonus payable to him from 3rd August, 2007 at the discretion of the Board subject to a maximum limit of Rs.2500000/- (Rupees twentyfive lacs only).
03. The present ceiling on the amount of perquisites equivalent to the amount of annual salary stands removed w.e.f. 1st April, 2008.

All other existing terms and conditions of remuneration, as approved by the Members, remain unchanged.

An abstract of the said variation in the terms of remuneration of Shri B.R. Nahar, Executive Director & Chief Executive Officer and Memorandum of Interest under Section 302 of the Companies Act, 1956 dated 31st July, 2008, has already been circulated to the shareholders of the Company.

Shri B.R. Nahar was appointed as Executive Director & Chief Executive Officer of the Company with effect from 3rd August, 2006. His term as Executive Director & Chief Executive Officer expires on 2nd August, 2009. The Board at its meeting held on 7th May, 2009, has resolved to re-appoint Shri B.R. Nahar in the same capacity for a further period of 5 years effective from 3rd August, 2009, subject to approval of the members at the ensuing Annual General Meeting and other required approvals, if any, on the terms and conditions including remuneration as incorporated in the draft agreement to be entered into between the Company and Shri Nahar.

The terms and conditions of the draft agreement are as set out herein below:

1. Period of Appointment: 3rd August, 2009 to 2nd August 2014.

2. Remuneration:

1.1 Salary:

Rs.2,00,000/- (Rupees two lacs only) per month with an authority to the Board to review the same from time to time as it may deem fit. The increase in salary will take effect from 1st day of April every year.

1.2 Performance Linked Bonus:

Such amount as may be determined by the Board, subject to a maximum limit of Rs.50,00,000/- (Rupees fifty lacs only) for each year of his tenure.

1.3 Adhoc Allowance:

Rs.89,250/- (Rupees eighty-nine thousand two hundred fifty only) per month or such other amount as per Company's Policy in force from time to time or as may be decided by the Board.

1.4 Perquisites:

In addition the Executive Director & Chief Executive Officer, will be entitled to the following perquisites, benefits and allowances as mentioned hereinafter:

1.4.1 Residential accommodation:

- (a) Free furnished residential accommodation

Or

In case the Company hires accommodation, then expenditure incurred by the Company on hiring the same will be subject to the limit of 60% of the salary.

Or

In case no accommodation is provided, the Executive Director & Chief Executive Officer shall be entitled to house rent allowance @ 60% of the salary.

- b) In addition, the actual expenditure incurred on gas, electricity and water will be borne by the Company. However, the same will be valued as per Income Tax Rules, 1962.

1.4.2 Medical Reimbursement:

Expenses incurred for self and family (including medi-claim insurance premium) in accordance with the Rules of the Company.

1.4.3 Leave Travel Concession:

For self and family, once in a year, in accordance with the Rules of the Company.

1.4.4 Furnishing Allowance:

In accordance with the Rules of the Company.

1.4.5 Other Allowances:

Any other allowances, benefits and perquisites as per the Rules of the Company as are applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowances, benefits and perquisites as the Board may from time to time decide.

1.4.6 Club Fees:

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

1.4.7 Personal Accident Insurance:

Personal Accident Insurance Policy of an amount the annual premium of which does not exceed Rs. 12,000/- (Rupees twelve thousand only).

1.4.8 Car and Telephone:

Free use of Company's Car for Company's work as well as for personal purposes along with driver and telephone at residence at Company's cost.

1.4.9 In addition to the above, he will also be entitled to the following:

- a) **Provident Fund:**

Company's contribution towards Provident Fund as per the Rules of the Company.

- b) **Pension/Superannuation Fund:**

Company's contribution towards Pension/ Superannuation Fund will be @ 15% of salary.

- c) **Gratuity:**

As per the Rules of the Company, but not exceeding half a month's salary for each completed year of service.

- d) **Leave:**

Leave with full pay and allowances (including encashment of unavailed earned leave thereof) as per the Rules of the Company.

For the purpose of Provident Fund, Pension/ Superannuation Fund, Gratuity and Leave Benefit, the service of the Executive Director & Chief Executive Officer will be considered as continuous service from the date of his joining the Company without considering any break in service.

1.5 Minimum Remuneration:

Notwithstanding the above, where in any financial year during the currency of tenure of the Executive Director and Chief Executive Officer, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary and perquisites not exceeding the overall limit prescribed in Schedule XIII and other applicable provisions of the Companies Act, 1956, or any amendment thereof as minimum remuneration subject to the conditions stipulated therein in addition to the amounts mentioned in para 1.4.9 (a), (b) & (c) and encashment of leave at the end of the tenure which shall not be included in the computation of the ceiling of remuneration.

3. The Executive Director and Chief Executive Officer will also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
4. The headquarters of the Executive Director and Chief Executive Officer will be based at Kolkata for attending his duties.
5. The Executive Director and Chief Executive Officer shall generally look after the management of the affairs of the Company subject to the overall superintendence, control and directions of the Board of the Company. The Directors may from time to time entrust to the Executive Director and Chief Executive Officer such of the powers exercisable by the Directors as they think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think proper.

A copy of the agreement setting out the terms of variation in remuneration along with a copy of the draft agreement to be entered into by the Company with Shri B.R. Nahar containing the terms and conditions of re-appointment and remuneration payable to him is available for inspection by any member of the Company at the Registered Office between 10 A.M. to 12 Noon on any working day excluding Saturday and Sunday prior to the date of the Meeting and will also be available for inspection during the Meeting.

This may be regarded as an abstract of the terms of re-appointment of Shri B.R. Nahar as Executive Director & Chief Executive Officer and Memorandum of Interest under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Shri B.R. Nahar is concerned or interested in the Resolutions.

The resolutions for the variation in remuneration and re-appointment of Shri B.R. Nahar as Executive Director & Chief Executive Officer at Item Nos. 8 and 9 of the Notice is commended for approval by the Members.

Registered Office:
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9/1, R.N. Mukherjee Road,
Kolkata-700 001.
Dated, the 22nd May, 2009

By Order of the Board

Girish Sharma
Vice-President (Indirect Taxes)
& Acting Company Secretary