

P.M. Strips Limited

25th

Annual Report 2009 - 2010

G.P. SURANA

Managing Director

Directors :

Ravi Surana
Shyam Sundar Dey
Arun Singh Gaur

AUDITORS :

G. Ram Mohan & Co.
Chartered Accountant
7/A, 1st Floor,
Vengal Rao Nagar,
Hyderabad-500038

BANKERS :

Indian Bank
S.D. Road, Secunderabad.

Kotak Mahendra Bank Ltd.
Somajiguda, Hyderabad.

REGISTERED &

CORPORATE OFFICE :
1-7-24/11/D, S.D. Road,
Secunderabad-500003 A.P.

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of P.M. STRIPS LIMITED will be held on Tuesday, the 28th September 2010 at 11.00 A.M. at the Registered Office of the Company at 1-7-24/11/D, Ramalaya, 3rd Floor, S.D. Road Secunderabad-500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date together with the Directors Report and the Auditors Report.
2. To appoint a Director in the place of Mr. Ravi Surana who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to provisions of Section 16, 94 and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Authorized Share Capital of the company be and is hereby increased from the present amount of Rs.2,00,00,000. (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs only) Equity Share of Rs.10/- (Rupees Ten only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000/- (One crore fifty lakhs only) Equity Shares of Rs.10 (Rupee Ten only) each, ranking pari passu with the existing equity shares.

RESOLVED THAT the consequential changes be made in the Clause V of the Memorandum of Association of the Company and accordingly the existing clause V of the Memorandum of Association of the Company shall stand deleted and substituted by the following clause:

The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen crore only) divided into 1,50,00,000 (One crore fifteen lakhs) equity shares of Rs. 10/- (Rupees Ten each). The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential restrictions as may be determined by, or in accordance with the aforesaid, such right, privilege or conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

1. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

"**RESOLVED** that pursuant to the Section 31 of the Companies Act, 1956, the existing Article 5 of the Articles of Association of the Company shall be deleted and the following new Article shall be substituted in place thereof:-

"The Authorised Share Capital of the Company is same as mentioned in Clause V of the Memorandum of Association."

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

RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations, 2009") as in force, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, consents, permissions and sanctions, as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted to be constituted by the Board to exercise its powers including the powers conferred on the Board by this Resolution) the consent and approval of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches upto 39,94,161 Equity Shares of the face value of Rs. 10 each at a price of Rs. 31/- per share (including a premium of Rs. 21/-) or at such higher price as may be determined in accordance with SEBI (ICDR) Regulations, 2009 on preferential basis to Mr. Suresh Venkatachari, Mr. R.S.Ramani and Mr. M.V.Bhaskar (hereinafter referred to as "Acquirers" or the "Proposed Allottees"), towards the consideration for acquisition of 76587 equity

Shares of \$1 each of Mentor Minds Solutions and Services Inc. (being 100% of the paid Equity Share Capital) from them in the following manner:

Sr No	Name of the Proposed Allottees	No of Equity shares to be allotted in lieu of acquisition of equity shares of Mentor Minds Solutions and Services Pvt. Ltd	No of Equity shares to be allotted in lieu of acquisition of shares of Mentor Minds Solutions and Services Inc.	Allottee is : QIB MF / FI / Trust Banks
Non - Promoter :				
1.	Mr. Suresh Venkatachari	222602	3339043	No
2.	Mr. R.S.Ramani	24434	371005	No
3.	Mr. M.V.Bhaskar	37077	-	No
	Total		284113	3710048

RESOLVED FURTHER THAT:

(i) The relevant date for the purpose of pricing of issue of the shares in accordance with the SEBI (ICDR) Regulations, 2009 be fixed as 29th August 2010 being the 30th prior to 28th Sept 2010 i.e., the date on which the Annual General Meeting of shareholders is convened, in terms of Section 81(1A) of the Companies Act, 1956 consider the proposed preferential issue.

(ii) The Equity Shares allotted in terms of this resolution shall rank *pari passu* in respects with the existing Equity Shares of the Company.

(iii) The Board be and is hereby authorized to decide and approve the other terms conditions of the issue of equity shares, and also shall be entitled to vary, modify alter any of the terms and conditions, including the issue price on a higher side mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allot of shares of the Company, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficult doubts that may arise in this regard including but not limited to the offering, issue and allotment equity shares of the Company as it may in its absolute discretion deem fit and proper".

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to this resolution

1. To consider and if thought fit to pass with our without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to Board of Directors of the Company to invest up to an amount of Rs. 88.07 Lacs, towards acquisition of 100% of the paid up equity share capital of Mentor Mind Solutions & Services Pvt. Ltd, in one or more tranches, notwithstanding that such investment together with Company's existing investments, loans granted and guarantees/securities provided may exceed the limits specified under Section 372A of the Companies Act, 1956.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to make the said investment(s) at appropriate times, in one or more tranches, in cash or in kind and to do all such acts, deeds and things arising out of and/or in relation with such investments."

2. To consider and if thought fit to pass with our without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to Board of Directors of the Company to invest up to an amount of Rs. 1150.11 Lacs, towards 100% of the paid up equity share capital of Mentor Mind Solutions and Services Inc, (including its subsidiary Mentor Minds Solutions & Services Canada) in one or more tranches, notwithstanding that such investment together with Company's existing investments, loans granted and guarantees/securities provided may exceed the limits specified under Section 372A of the Companies Act, 1956.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to make the said investment(s) at appropriate times, in one or more tranches, in cash or in kind and to do all such acts, deeds and things arising out of and/or in relation with such investments."

3. To consider and if thought fit, to pass, with our without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Suresh Venkatachari who was appointed as a Director of the Company on 30th of August 2010 pursuant to Section 260 of the Companies Act, 1956, and who holds an office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose his candidature for the office of the

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"RESOLVED THAT Mr. Suresh Venkatachari who was appointed as a Director of the Company on 30th of August 2010 pursuant to Section 260 of the Companies Act, 1956, and who holds an office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed Director of the Company, liable to retire by rotation."

1. To consider and if thought fit, to pass, with our without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Mylapore Venkata Bhaskar who was appointed as a Director of the Company on 30th of August 2010 pursuant to Section 260 of the Companies Act, 1956, and holds an office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed Director of the Company, liable to retire by rotation."

2. To consider and if thought fit, to pass, with our without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Vedantaramanjan Srinivasan who was appointed as a Director of the Company on 31st of August 2010 pursuant to Section 260 of the Companies Act, 1956, and holds an office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed Director of the Company, liable to retire by rotation."

3. To consider and if thought fit, to pass, with our without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Padmani Ravichandran who was appointed as a Director of the Company on 31st of August 2010 pursuant to Section 260 of the Companies Act, 1956, and who holds an office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed Director of the Company, liable to retire by rotation."

By order of the
For P.M.Strips Limited

Place: Hyderabad
Date: 2nd September 2010

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NOTES:

1. A member entitled to attend and vote at the meeting is entitled to point proxy to attend and on a poll, vote instead of him/her. A proxy need not be a member. Proxies in order to be effective must be received by the Company not later than forty-eight hours before the commencement of the meeting.
 2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act is enclosed and forms part of this notice.
 3. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September 2010 to 28th September 2010 (both days inclusive)
 4. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays upto the date of AGM.
 5. M/s. G.Ram Mohan & Co. Chartered Accountants, Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the prescribed SEBI Guidelines on preferential issues. A copy of the said certificate is available for inspection by the shareholders at the Registered Office of the Company on all working days except Public Holidays, Saturdays and Sundays between 2.00 p.m. and 5.00p.m. upto the date of the Annual General Meeting and at the Annual General Meeting.
 6. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the slip at the entrance to the place of the Meeting.
 7. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
- Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- Explanatory Statement and reasons for proposed resolutions pursuant to Section 173(2) of the Companies Act, 1956, and forming part of the Notice convening the Annual General Meeting of the Company.

Item No.4 & 5

The present Authorised Share Capital of the Company is 2,00,00,000/- (Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only). The Company proposes to issue further securities in lieu of acquisition of equity shares of Mentor Minds India Solutions & Services Private Limited & Mentor Minds Solutions & Services Inc which will exceed the limit of present authorized share capital of the Company and therefore it is proposed to enhance the Authorised Share Capital of the Company to Rs. 15,00,00,000/- (Rupees Fifteen crore only) divided into 1,50,00,000 equity shares of Rs. 10/- each and to amend the capital Clause of Memorandum of Association of the Company accordingly.

The Board therefore recommends the resolution under Section 94 of the Act as an ordinary resolution for your approval.

None of the Directors is concerned or interested in the resolution.

Article 5 of the Articles of Association of the Company prescribes the Authorised Share Capital of the Company. Since the Authorised Share Capital of the Company is being increased, it is necessary to amend Article 5 in the Articles of Association.

The Board therefore recommends the resolution under Section 31 of the Act as a special resolution for your approval.

None of the Directors is concerned or interested in the resolution.

Item No.6

Issue of preferential Shares:

As per Section 81(1A) of the Companies Act, 1956 approval of shareholders in the General Meeting is required for allotment of Shares on preferential basis and hence the resolution is placed before the Shareholders.

Your Company has entered into Share Purchase Agreements with the Proposed Allottees to acquire 76,587 Equity Shares of Rs. 100/- each (being 100% of the Paid up Equity Share Capital) of Mentor Minds Solutions & Services Pvt. Ltd. for a total consideration of Rs 88.07 Lacs & acquisition of 10,00,000 Equity Shares of \$1 each (being 100% of the Paid Up Equity Share Capital) of Mentor Minds Solutions & Services Inc. & its subsidiary Mentor Minds Solutions & Services, Canada for total consideration of Rs. 1150.11 Lacs on share swap basis. In lieu of the consideration payable thereof, your

Company has proposed allotment of 3994161 Equity Shares of the Company on Preferential basis at a price of Rs 31/- per share (including a premium of Rs. 21/-) per share or at such higher prices as may be determined in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009 on Preferential Issue.