

**A N N U A L  
R E P O R T  
2011 – 2012  
(ABRIDGED)**

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**AI CHAMPDANY INDUSTRIES LIMITED**

# AI Champdany Industries Limited

## BOARD OF DIRECTORS

Mr. G. J. Wadhwa, Chairman  
 Mr. Harbhajan Singh  
 Mr. S. M. Palia  
 Mr. S. K. Mehera  
 Mr. D. J. Wadhwa  
 Dr. G. Goswami  
 Mr. N. Das  
 Mr. B. Wadhwa  
 Dr. B Sen (w e f 30th May 2012)  
 Mr. N Pujara (Executive Director)

Mr. B. K. Chowdhury  
*Sr. General Manager (Accounts)  
 & Company Secretary*

## AUDITORS

**D P Sen & Co.**  
*Chartered Accountants*  
 FRN 301054E

## BANKERS

Bank of Baroda  
 Allahabad Bank  
 Export-Import Bank of India  
 ING Vysya Bank Ltd.  
 IndusInd Bank Ltd.

## REGISTERED OFFICE

25, Princep Street  
 Kolkata-700 072  
 Share Department  
 25, Princep Street  
 Kolkata-700 072  
 Phone: 2237 7880/85  
 Fax: 033-2236 3754/033-2225 0221  
 E-mail: [cil@ho.champdany.co.in](mailto:cil@ho.champdany.co.in)  
 Website: [www.jute-world.com](http://www.jute-world.com)

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## WORKS

Wellington Jute Mill 9, G T Road Rishra Hooghly West Bengal Pin: 712 248	Anglo India Jute Mill 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Fine Yarn Unit 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Flax Unit 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Kankinara Unit Bhutnath Kolay Road PO: Kankinara 24, Parganas (N) West Bengal Pin: 743 126	Weaving Unit Rishra Dist: Hooghly West Bengal Pin: 712 248	Weaving Unit Konnagar Naity Road Barabahera Dist: Hooghly West Bengal Pin: 712 246	Yarn Unit Rishra Dist: Hooghly West Bengal Pin: 712 248
	Beldanga Unit PO: Beldanga Murshidabad West Bengal Pin: 742 101	Libra Carpet Choudwar Dist: Cuttack Orissa Pin: 754 025	Shalimar Unit 39, Shalimar Road Howrah (South) West Bengal Pin: 711 103	Yarn Unit Choudwar Dist: Cuttack Orissa Pin: 754 025	Weaving Unit Narayanpur 24, Parganas (N) West Bengal Pin: 700 136		

# AI CHAMPDANY INDUSTRIES LIMITED

## Notice to the Shareholders

Notice is hereby given that the Ninety Fourth Annual General Meeting of the Members of the Company will be held on Wednesday, 12th September, 2012 at 10.30 A.M. at the Auditorium of Bharatiya Bhasha Parishad, 3rd Floor, 36A, Shakespeare Sarani, Kolkata -700 017 to transact the following business:

### **As Ordinary Business:**

- (1) To consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit & Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
- (2) To appoint a Director in place of, Mr. S. K. Mehera who retires by rotation and, being eligible, offer himself for re-appointment.
- (3) To appoint a Director in place of, Mr. S. M. Palia who retires by rotation and, being eligible, offer himself for re-appointment.
- (4) To appoint a Director in place of, Mr. N. Das who retires by rotation and, being eligible, offer himself for re-appointment.
- (5) To appoint auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. D. P. Sen & Co., Chartered Accountants, be and are hereby re-appointed as auditors of the Company for audit of the Company's accounts and the auditors are to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors in consultation with the Auditors."

### **Special Business :**

To consider and if thought fit to pass with or without modification the following Resolutions;

#### **6. As an ordinary Resolution.**

"RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 any statutory modifications(s) or re-enactment thereof Dr. Basudeb Sen, who was appointed as an additional director pursuant to the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the company subject to retirement by rotation under the provisions of Article 96 of the Articles of Association of the Company".

#### **7. As an ordinary Resolution.**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification and /or re-enactment thereof for the time being or from time to time in force), the Company hereby approves of the re-appointment and terms of remuneration of Mr. N. Pujara, Executive Director of the Company for a period of 5 years with effect from 01st January, 2013 upon the terms and conditions set out in the agreement submitted to the meeting and for identification signed by the Chairman thereto, which agreement is hereby specifically approved with liberty to the Board of Directors, to increase remuneration and alter and vary the terms and conditions of said appointment, and/or agreement so as not to exceed the 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 an amendments and/or modifications that may hereafter be agreed to between the Board of Directors and Mr. N. Pujara.

Further resolved that in the event of absence or inadequacy of profits in any financial year during the aforesaid period of five years, the Company will pay to Mr. N Pujara minimum remuneration by way of salary and perquisites as per Schedule XIII of the Companies Act, 1956 as applicable and/or such other approval as may be required."

#### **8. As a Special Resolution:**

"RESOLVED that pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) to or re-enactment thereof) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed

and in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI"(ICDR) Regulations) (including any amendment(s) to or re-enactment thereof) and subject to the approvals, consents, permissions and /or sanctions, as may be required from any appropriate authority, institution or body (hereinafter collectively referred to as the "the appropriate authorities") and subject to such terms, conditions, alterations, corrections, changes, variations and /or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions (hereinafter referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which terms shall be deemed to include any Committee duly constituted by the Board or any Committee which the Board may have constituted or hereafter constitute, to exercise one or more of its powers including the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board

- i) to create, offer, issue and allot 2204706 equity shares of the face value of 5 /- each, ranking pari-passu with the existing equity shares of the Company, for cash, to Rishra Investments Ltd. (Rishra), Shibir India Ltd (Shibir) and Amar Investments Ltd (Amar) at a price of Rs. 20.50 (including premium of Rs. 15.50) being not less than the price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, on preferential allotment basis, so however that the value of the total number of shares so issued, at a price determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 (including premium), aggregates to not less than Rs. 1,10,23,530 plus Premium of Rs. 3,41,72,943 totalling Rs.4,51,96,473 and
- ii) to allot 2683045 convertible warrants at a price of Rs. 20.50 (including premium of Rs. 15.50) per convertible warrant determined in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009, aggregating to Rs. 5,50,02,422.50 on preferential allotment basis to Rishra, Shibir and Amar with right to convert each warrant into one fully paid equity share of face value of Rs. 5/- each not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrant.

RESOLVED FURTHER that the price of the equity shares and convertible warrants to be issued has been determined as per the Regulations issued by SEBI in this respect, i.e.

- a) The average of the Weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchanges is Rs. 20.18 during the six months preceding the 'relevant date'.

Or

- b) The average of the Weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchanges is Rs. 20.49 during the two weeks preceding the 'relevant date', whichever is higher.

FURTHER RESOLVED THAT the relevant date for the purpose of calculating the price for equity share and convertible warrant under Chapter VII of SEBI (ICDR) Regulations, 2009 is 13th August, 2012.

RESOLVED FURTHER THAT the said shares and convertible warrants (on conversion into equity shares) shall rank in all respects, pari-passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Chapter VII of SEBI(ICDR) Regulations, 2009 the fresh equity shares to be allotted shall be locked in for a period of three years from the date of allotment and or conversion of warrants into Equity Shares and that the equity shares shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in except to the extent and in the manner permitted there under.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Dr. G. Goswami, Director or Mr. B. K Chowdhury, Secretary be and are hereby severally authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as they may, at their discretion deem necessary, desirable or expedient to effect the issue or allotment of aforesaid securities and listing thereof with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of any of the said securities and to do all acts, deeds, and things in connection therewith and incidental thereto as they may in their absolute discretion deem fit, without being required to seek any further consent or approval of the Board".

Registered Office  
25, Princep Street  
Kolkata - 700 072  
Dated : 13th August, 2012

By Order of the Board

B. K. Chowdhury  
Senior. General Manager (Accounts) &  
Company Secretary

Notes:

- a) A member entitled to attend and vote at the Annual General Meeting (the meeting) is also entitled to appoint a proxy to attend and vote on a poll instead of himself / herself, and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- b) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- c) In terms of Article 101 of the Articles of Association of the Company Mr. S. K. Mehera, Mr. S. M. Palia and Mr. N. Das, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Brief resume of Mr. S. K. Mehera, Mr. S. M. Palia and Mr. N. Das are annexed to the notice.
- d) Members are requested to bring their Attendance Slip along-with their copy of Annual Report to the meeting.
- e) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- f) The register of Members and the Share Transfer Book of the Company will remain closed from 01st September, 2012 to 12th September, 2012 (both days inclusive)
- g) The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholdings in the Company for which they may contact the Depository Participants of either of the Depositories.
- h) Shareholders are requested to intimate changes, if any, in their Registered address, to the Share Transfer Agents of the Company at the following address or to the Company

**M/s MCS Ltd.  
77/2A, Hazra Road,  
Kolkata – 700 029  
Phone : 2454-1892  
Fax: 2454 –1961**

- i) Members holding shares in physical form may send their request for nomination in the prescribed Form 2B duly filled in and signed to the Company Secretary at its registered office or to the Company's Registrar and Share Transfer Agent. The member holding shares in dematerialized form may contact their respective Depository Participants (DP) for availing nomination facility.
- j) Pursuant to the provision of Section 205A of the companies Act, 1956 as amended, dividend for the financial year ended March 31, 1996, and thereafter, which remained unpaid or unclaimed for a period of seven years, will be transferred to the **"Investors Education and Protection Fund"** of the Central Government. **Shareholders, who have not encashed the dividend warrants so far for the financial year March 31, 2005 or any subsequent period, are requested to make their claims to the Registered Office of the Company at 25, Princep Street, Kolkata-700 072.** It may please be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof.
- k) As approved by the Shareholders, the company has sub divided the Equity Shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each with effect from September 19, 2008. Shareholders who have not yet surrendered old share certificates of face value of Rs. 10/- each are requested to surrender the same to the Registrar and Transfer Agent to enable the Company to dispatch new share certificates in lieu of old certificates.
- l) **The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance" by introducing paperless compliances allowing service of documents through electronic mode to the members by giving an advance opportunity to every member to register their e-mail address, and changes therein from time to time.**

**In view of the above, to take part in the Green initiative, we propose to send documents such**

**as Notices, Annual Reports etc. by e-mail to those members who register their e-mail addresses with the Company.**

**Please provide your e-mail address mentioning the Company's name and Folio Number to our Registrars, M/s MCS Ltd., by post at their postal address 77/2A, Hazra Road, Kolkata-700029 or by email at mcskol@rediffmail.com in case shares held in physical form. Members who hold shares in dematerialised form are requested to write their e-mail address to concerned Depository Participant (DP), mentioning DP ID and Client ID to update their record.**

**In case the service of documents by electronic mode, please note that member may, subsequently, make a specific request for furnishing physical copies of such documents also.**

**m) EXPLANATORY STATEMENT pursuant to Section 173 of the Companies Act, 1956.**

**Item No. 6.**

The Board of Directors of the Company (the Board) has appointed, pursuant to Article 97(a) of Articles of Association of the Company, Dr. Basudeb Sen, as additional director with effect from 30.05.2012, in terms of the provision of section 260 of the Act, he would hold office up-to the date of this Annual General Meeting.

Dr. Basudeb Sen aged 63 years has over 33 years of management experience in different areas of commercial banking, development banking and investment management. He is an M.A. in Economics from the University of Calcutta and a Ph.D. from the Indian Statistical Institute, besides being an alumnus of the Harvard Business School.

Dr. Sen has been associated with management education as director /visiting faculty of various business schools and as course director in executive development programmes. He has contributed several articles in academic /professional journals and financial papers on a wide range of issues related to management, economics, banking, financial markets and energy.

Dr. Sen has served as Chairman and Managing Director of the Industrial Investment Bank of India Limited and Executive Director of UTI. His special interest/expertise areas include corporate governance, sustainability, strategic planning, risk management system, investment portfolio management and fund marketing & credit / project appraisal. He has also served as Chairman and / or Member of various working groups / committees set up by SEBI, the RBI and Indian financial institutions and industry associations on issues such as consortium lending, corporate governance, institutional disinvestment, overseas investment by mutual funds, money markets and corporate debt restructuring. Dr. Sen is on the Board of following companies:

ITC Limited  
Mahanagar Gas Limited  
Gujarat NRE Coke Limited  
Srei Venture Capital Limited  
Sumedha Fiscal Services Limited  
Himadri Chemicals & Industries Limited  
Dhunseri Petrochem & Tea Limited

The Company has received notice in writing from members along with requisite deposit, proposing the candidature of above persons for the office of the Director of the Company, under the provisions of section 257 of the Act.

The Board recommends the resolution set out at item no 6 of the Notice for your approval.

Except Dr. Basudeb Sen, no other Director is interested in the above resolution.

**Item No. 7.**

Mr. N. Pujara was re-appointed as Executive Director (Marketing) of the Company for the period of 5 years with effect from 01st January, 2008 which was approved at the Annual General Meeting (AGM) held on 31st August, 2007. At the meeting of the Board of Directors of the Company held on 30th May, 2012 the designation of Mr. N Pujara has been changed to Executive Director. The present terms of office of Mr. N. Pujara Executive Director of the Company will expire on 31st December, 2012. Mr. N. Pujara has been associated with "The Champdany Industries Ltd" (since merged with the Company) from 1973 holding different senior level positions leading to appointment as Executive Director (Marketing) in the year 1993. In the year 1994 he was inducted as Director of the Company and in June 2006 he became Executive Director (Mktg.) consequent on merger of "The Champdany Industries Ltd" with the Company. In view of his vast experience and significant contribution to the Company's overall growth and profitability, the Board of Directors on 13th August, 2012 approved for re-appointment of Mr. Pujara as Executive Director for a period of five years with effect from 01st January, 2013. The terms and conditions mentioned in the agreement between the Company and Mr. Pujara are subject to approval of the shareholders.

The principal terms and conditions including the remuneration governing the re-appointment of Mr. Pujara are set out below.

1. **Salary:** Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month or Rs. 18,00,000/- (Rupees Eighteen lakh only) in a year including dearness and all other allowances.
2. **Perquisites:** The value of total perquisites will not exceed Rs. 25,000/- (Rupees Twenty Five Thousand only) per month or Rs. 3,00,000/- (Rupees Three Lakh only) in a year calculated as per Income Tax Rules (excluding perquisites which is not included in the ceiling on remuneration as specified in Clause 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956).
3. Mr. Pujara shall not be paid any sitting fees for attending the meeting of the Board or any Committee Meeting thereof.
4. Mr. Pujara will be paid the aforesaid remuneration which is within the ceiling prescribed under section II [1(A)] of Part II of Schedule XIII of the Companies Act, 1956 in the event of absence or inadequacy of profit in a particular year, if the situation so arises.
5. The contract can be terminated by either party by giving 3 months prior notice in writing.

The Board recommends the passing of the above resolution. Except Mr. Pujara no other Directors of the Company is interested or concerned in the Resolution.

The above should also be considered as an abstract of the terms of the re-appointment of Mr. Pujara and a Memorandum as to the nature of the concern and interest of the Directors in the said re-appointment in terms of Section 302 of the Companies Act, 1956.

#### **Inspection of Documents:**

The copy of the agreement for the above re-appointment is available for inspection at the Registered Office of the Company on any working day prior to the date of Meeting between 11.00 A.M. and 4.00 P.M. and will also be available for inspection at the Annual General Meeting.

#### **Item No. 8.**

##### **A. Material Facts Relating to the Preferential Allotment.**

- (i) The proceed from the preferential allotment shall be utilised to redeem high cost 7% Cumulative Redeemable preference shares aggregating to Rs. 2.20 crore and for general corporate purposes including repayment of debt, as may be decided by the Board from time to time, and thus, it is proposed to issue equity shares and warrants on a Preferential Allotment basis to the Promoter group entities Rishra Investments Ltd. (Rishra), Shibir India Ltd (Shibir) and Amar Investments Ltd (Amar) in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"). This would be the most cost-effective source of raising equity funds as it would be at market related prices and enable the Company to meet a part of its fund requirements.
- (ii) The Equity Shares allotted pursuant to the above Resolution and on exercise of option by Warrant holders shall rank in all respects pari-passu with the existing equity shares of the Company.
- (iii) Pursuant to the provisions of section 81(1A) of Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of the equity shares of a company requires prior approval of the shareholders in general meeting by a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the shareholders, unless the shareholders in a general meeting decide otherwise.
- (iv) The proposed preferential allotment of Securities to Rishra, Shibir and Amar would be strictly in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("SEBI ICDR Regulations 2009") and the following parameters would be subject to such changes as may be required to conform to the SEBI ICDR Regulations 2009. Such proposed preferential issue would comprise of up to 2204786 Equity Shares of face value of 5/- each and up to 2683045 Warrants with a right exercisable by the warrant holder to subscribe for One Equity Shares per warrant. The holders of the Warrants shall have the option to exercise the Warrants to subscribe to Equity Shares of the Company after 31.03.2013, but within eighteen months of its allotment.

- (v) The Company had sought indication from Rishra, Shibir and Amar whether they would be desirous to subscribe to the above securities Rishra, Shibir and Amar in turn has confirmed and conveyed its intent to subscribe to these securities.
- (vi) The pricing of the Equity Shares and convertible warrants to be allotted on preferential basis to Rishra, Shibir and Amar each not lower than the price determined in accordance with the SEBI ICDR Regulations 2009. Currently SEBI ICDR Regulations 2009 provide that the issue of shares on preferential basis can be made at a price not less than higher of the following:
- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the six months preceding the relevant date; or
  - The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.
- The Relevant date for the purpose of pricing of the Equity Shares and Equity Shares arising out of exercise of Warrants is 13th August, 2012 being the date which is 30 days prior to the meeting of the shareholders i.e. 12th September, 2012 in terms of section 81(1A) of the Companies Act, 1956, to consider the proposed issue.
- "Stock Exchange" for this purpose shall mean any of the recognized stock exchanges on which the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date.
- (vii) An amount equivalent to at least 25% of the consideration payable on the Warrants shall be paid at the time of allotment of the Warrants and the remainder shall be paid upon allotment of Equity Shares upon exercise of the Warrants.
- (viii) The Equity Shares (including those arising out of exercise of right attached to the Warrants) to be allotted to Rishra, Shibir and Amar pursuant to the proposed special resolution shall be subject to lock-in for a period of 3 years from the date of allotment of equity share/conversion of warrants into equity shares, consistent with SEBI ICDR Regulations 2009.
- (ix) The preferential issue shall have the effect of increasing the shareholding of the promoter/promoters group in the company. The increase in the shareholding of the promoter/promoters group in the company shall be restricted to maximum 5% within a financial year which is the permissible limit under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 without triggering the requirement of public announcement of an Open Offer for acquiring equity shares of the company.

**B. Disclosures prescribed under the SEBI ICDR Regulations 2009.**

- (i) The object(s) of the preferential issue: To raise fund for redemption of high cost 7% Cumulative Redeemable preference shares aggregating to Rs. 2.20 crore and for general corporate purpose including repayment of debt, as may be decided by the Board from time to time.
- (ii) The Proposal of the Promoters, Directors or Key Management Personnel of the issuer to subscribe to the offer: The Promoters group entities of the Company i.e. Rishra, Shibir and Amar have conveyed their intention to subscribe to the offer. No shares are being offered to the Directors or Key Managerial Personnel.
- (iii) Shareholding pattern before and after the preferential issue

Shareholders category	% of shareholding before the proposed Allotment	% of shareholding after allotment of equity shares	% of shareholding after allotment of equity Shares on exercise of Warrants (assuming full exercise of the Warrants)
Promoters Group	43.90	48.90	53.90
Indian Financial Institutions	12.21	11.12	10.03
State Government	0.00	0.00	0.00
Insurance Companies	0.00	0.00	0.00
Foreign Institutional Investors	0.01	0.01	0.01
Bodies Corporate	2.85	2.55	2.30
NRI	0.02	0.02	0.02
Foreign Bodies Corporate	37.87	34.49	31.12
Individuals & Others	3.14	2.91	2.62
Total	100.00	100.00	100.00



- (iv) The time within which the preferential issue shall be completed: The allotment of Equity Shares and the Warrants pursuant to this resolution will be completed within 15 days from the date of passing this Resolution. Provided that if the approval of permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission, as the case may be. The allotment of Equity Shares pursuant to the exercise of option by Warrant holder will be made within a reasonable time after exercise of such option.
- (v) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them and change in control, if any, of the issuer consequent to the preferential allotment:

Name of the promoter group entities	Equity shares to be Alloted	Holding After Allotment of Equity Shares	Warrants to be Alloted	Holding on conversion of Warrant into Equity shares	% to Equity Capital after conversion of warrant
Rishra Investments Ltd	906450	2734876	1103076	3837952	14.00
Shibir Iindia Ltd	697110	2103269	848326	2951594	10.76
Amar Investments Ltd	601226	1813976	731643	2545619	9.28

Promoters Group would be holding 48.90% of the paid up Equity Share capital after allotment of Equity Shares and 53.90% of the paid up Equity Share capital after allotment of Equity Shares on exercise of the Warrants (assuming full subscription of equity shares / warrants proposed to be allotted herein). There will be no change in control of the Company pursuant to the preferential allotment.

- (vi) The Company hereby undertakes that:-
- (a) it would recompute the price of the Securities specified above in terms of the provisions of the SEBI ICDR Regulations 2009, where it is required to do so.
- (b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations 2009, the above specified securities shall continue to be locked in till the time such amount is paid by the allottees.
- (vii) The Auditors' Certificate required under Clause 73(2) of the SEBI ICDR Regulations 2009 is available for inspection at the Registered Office of the Company between 11.00 a.m. and 4:00 p.m. on any working day upto the last date for the general meeting. The Auditors' Certificate will also be displayed on the website of the Company i.e. [www.jute-world.com](http://www.jute-world.com).

#### **Disclosure.**

- a) Mr. G J Wadhwa, Mr. D J Wadhwa and Mr. B Wadhwa being promoter directors and Mr. N Pujara being Director and shareholder of Rishra, Shibir and Amar are deemed to be interested in the passing of this Resolution.
- b) Disclosure of shareholding of the Director's holding not less than 20% in proposed allottees Company (in terms of proviso to section 173(2) of the Companies Act, 1956).

Mr. D. J. Wadhwa holds 36.80% Equity shares in Amar Investments Ltd in his individual capacity. Except above none of the Directors of the Company are interested in the proposed resolution.

#### **Inspection of Documents:**

All the documents referred to in the notice and explanatory statement related to items no 6, 7 and 8 including the Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company between 11.00 A.M. and 4.00 P.M. on any working day prior to the date of the Annual General Meeting.

By Order of the Board

Registered Office  
25, Princep Street  
Kolkata - 700 072  
Dated : 13th August, 2012

B. K. Chowdhury  
Senior. General Manager (Accounts) &  
Company Secretary

**Annexure to Notice:**

Details of Directors seeking re-appointment in ensuing Annual General Meeting to be held on 12th September, 2012.

Name of Directors	Mr. S.K. Mehera	Mr. S. M. Palia	Mr. N. Das
Age	84 years	74 years	75 years
Date of appointment	31st May, 2006	31st May, 2006	31st May, 2006
Expertise in specific functional area	Company Executive with rich business & management experience.	Ex-Development Banker with rich experience in finance and Management.	Company Executive with rich experience in Finance, Accounts and Management.
List of outside Directorships held	NIL	Tata Steel Ltd. ACC Ltd. GRUH Finance Limited Saline Area Vitalisation Enterprises Ltd Tata Motors Ltd The Bombay Dyeing & Mfg. Co. Ltd	Nicco Corporation Ltd Nicco Engineering Services Ltd. Nicco Biotech Ltd. Shibir India Ltd.
Chairman/Member of the Committee of Board of Directors of the Company	Member in Audit Committee and Chairman of Remuneration Committee.	NIL	Members in Remuneration Committee.
Chairman/Member of the Committee of the Board of Directors of other Public Limited Companies	NIL	Chairman of 2 committees of GRUH finance Ltd and in 1 Committee of Tata Motors Ltd, and member in one Committee of Tata Motors Ltd, The Bombay Dyeing & Mfg. Co. Ltd, ACC Ltd and Tata Steel Ltd.	Chairman of 3 committees of Nicco Corporation Ltd and member in one Committee in Shibir India Ltd.
No. of shares held	Equity: 266	Equity: 266 2% Preference: 500	Equity: 2666