

# THE AMALGAMATED ELECTRICITY COMPANY LIMITED

REGD. OFFICE : 17-B, HORNIMAN CIRCLE, FORT, MUMBAI - 400 023. • TEL.: +91 22 2261 1544

## NOTICE

**NOTICE** is hereby given that the **SEVENTY-SEVENTH ANNUAL GENERAL MEETING** of the Members of **THE AMALGAMATED ELECTRICITY COMPANY LIMITED** will be held on Monday, 13<sup>th</sup> August, 2012 at 4.30 p.m. at the Registered Office of the Company at Dena Bank Building, 1<sup>st</sup> Floor, 17-B, Horniman Circle, Fort, Mumbai 400 023, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Nitin Velhal who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution 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 statutory modifications or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with the Stock Exchange(s) where the Company's shares are listed, the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as applicable for preferential issue of securities, and other applicable regulations/guidelines of SEBI, if any, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Reserve Bank of India (**RBI**), SEBI and any other competent or concerned authority and subject to such approvals, permissions, consents and sanctions, if any, as may be required to be obtained from SEBI, the Stock Exchanges(s) and such other concerned authorities as may be required by law or as may be necessary and further subject to such conditions and modifications as may be imposed/prescribed by them while granting such approvals/permissions/consents and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which expression shall be deemed to include any committee of Directors which the Board may have constituted or hereafter constitute, duly authorized to exercise the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot for cash consideration on preferential basis

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upto 2,05,000 warrants convertible into equity shares of the Company at such time or times, in one or more tranches, not later than 18 (eighteen) months from the date of allotment at a price of Rs. 10/- (Rupees Ten only) aggregating to Rs.20,50,000/- (Rupees Twenty Lacs Fifty Thousand only) to the following promoters convertible into 1 (one) equity share of Rs. 10/- (Rupees Ten Only) each fully paid-up at the price of Rs.20.50,000/- (Rupees Twenty Lacs Fifty Thousand only) determined as per the SEBI ICDR Regulations 2009 on preferential issue:

Sr No	Name of the Allottees	No. of warrants to be allotted
1	Pursarth Trading Company Private Limited	1,00,000
2	Harbinger Trading Company Private Limited	1,05,000
	<b>Total</b>	<b>2,05,000</b>

**RESOLVED FURTHER THAT** the warrants convertible into equity shares shall be issued by the Company on following terms and conditions.

1. The equity shares allotted on conversion of warrants shall rank *pari passu* in all respects with the existing equity shares of the Company including entitlement to dividend.
2. The warrant holders shall have the option of subscribing for one equity share per warrant at a price of Rs.10/- each (Rupees Ten only) being price determined in accordance with the SEBI ICDR Regulations 2009 on preferential issue as in force on the date of this notice any time within 18 months from the date of allotment of the warrants.
3. The warrant holder is entitled to exercise the conversion in one or more tranches.
4. The warrants by itself shall not give to the holder thereof any rights of the equity shareholders of the Company. Further, these warrants shall be non-transferable, and shall not be listed on the Stock Exchange.
5. The issue of equity shares in the manner aforesaid shall be governed by the respective provisions of Companies Act, 1956 if any, Memorandum of Association, Articles of Association, guidelines issued by the SEBI or any other authorities as the case may be, or any modifications thereof.

**RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorized to issue and allot such number of warrants as may be required to be issued;

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**RESOLVED FURTHER THAT** the Board/any Committee thereof be and is hereby authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the equity shares, including reduction of the size of the issue, as it may deem expedient;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, 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 including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers or authorities herein conferred to any committee of directors as may be formed by them for the said allotment."

**BY ORDER OF THE BOARD**

  
**MILAN B. DALAL**  
**DIRECTOR**

Mumbai  
Dated: 30<sup>th</sup> June, 2012

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## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will remain closed on 13<sup>th</sup> July, 2012
3. The instrument appointing the proxy should be deposited with the Company at least 48 hours before the commencement of the Meeting.
4. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m., up to the date of the ensuing Annual General Meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
6. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.

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## ANNEXURE TO THE NOTICE

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statement sets out the material facts relating to items of special business mentioned in the accompanying Notice dated 30<sup>th</sup> June, 2012 convening the Seventy-Seventh Annual General Meeting of the Company.

#### **Item no 4:**

#### **Preferential Issue of warrants convertible into equity shares**

##### **(i) The objects of the issue through preferential offer:**

The Company proposes to augment the long term finance to meet the funding requirements for on-going capital expenditure arising out of growth in business and/or margin for working capital requirements. The strengthening of the capital base will also enhance the Company's ability to participate in tendering and execution of global projects. Therefore, the Company now proposes to issue 2,05,000 warrants convertible into equity shares at any time within a period of 18 (eighteen) months from the date of allotment to the promoters and non-promoters on preferential basis at a price derived as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issue. The brief details of utilization of proceeds of Preferential Issue are as under:

##### **(ii) Relevant date and pricing of the issue:**

The relevant date for the purpose of the preferential issue of warrants shall be 12<sup>th</sup> July, 2012.

As per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the price for equity shares to be issued on conversion of warrants has been determined as Rs.10/- (Rupees Ten only) per warrant/share on the relevant date, based on the quotations at the Bombay Stock Exchange. The issue price Rs.10/- only per warrant/share is therefore not less than the price determined as per the said guidelines. A certificate to that effect has been obtained from the Auditors of the Company, which is available for inspection at the Registered Office of the Company and will also be placed before the shareholders at the Annual General Meeting.

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## (iii) Intention of promoters/non-promoters to subscribe to the offer:

The persons listed hereinafter have confirmed their intention to subscribe to the preferential offer of warrants mentioned against each:

Sr.No.	Name	No. of warrants to be allotted
1	Pursarth Trading Company Private Limited	1,00,000
2	Harbinger Trading Company Private Limited	1,05,000

## (iv) Shareholding pattern before and after the offer

The shareholding pattern before and after the completion of the proposed preferential issue would be as under:

	Category	Pre Issue Holding		Post Issue Holding	
		No of shares	% holding	No of shares	% holding
<b>A</b>	<b>Promoter's Holding</b>				
i	Promoters				
	-Indian Promoters (Promoter & Promoter Group)	3,12,693	22.52	5,17,693	32.49
	<b>Sub total (A)</b>	<b>3,12,693</b>	<b>22.52</b>	<b>5,17,693</b>	<b>32.49</b>
<b>B</b>	<b>Non Promoter Holding</b>				
i	FII	--	--	--	--
ii	Institutional Investors	--	--	--	--
iii	Mutual Funds and UTI	--	--	--	--
iv	Companies (Central/State Government)	4,274	0.31	4,274	0.27
v	Foreign Investors	--	--	--	--

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	Others	24,376	1.76	24,376	1.53
i	Corporate Bodies	2,13,387	15.37	2,13,387	13.39
ii	Indian Public	8,09,180	58.29	8,09,180	50.79
iii	NRI/OCB	24,346	1.75	24,346	1.53
	Directors & Relative/ Clearing Members	--	--	--	--
iv					
	<b>Sub total (B)</b>	<b>10,75,563</b>	<b>77.48</b>	<b>10,75,563</b>	<b>67.51</b>
	<b>Grand Total (A) + (B)</b>	<b>13,88,256</b>	<b>100.00</b>	<b>15,93,256</b>	<b>100.00</b>

**Note:**

Since the allotment is of warrants convertible into equity shares, the shareholding pattern has been prepared presuming that all the warrants are converted into equity shares. Each warrant is convertible into 1 (one) equity share. The warrant holders can exercise the option to convert their warrants into equity shares any time within a period of 18 (eighteen) months from the date of allotment.

**(v) Proposed time within which the allotment shall be completed**

The allotment of warrants shall be completed within 15 (fifteen) days from the date of passing this special resolution by the members, provided that where the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 (fifteen) days from the date of such approval.

**(vi) Identity of the proposed allottees and the percentage of post-preferential issue capital that may be held by them**

As stated earlier, the preferential allotment of warrants convertible into equity shares is proposed to be made to the proposed allottees. The percentage that may be held by the allottees in post-issue capital on conversion of warrants shall be as under:

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Sl. No.	Name and address	No.of shares		%		Category (Promoter/ Non Promoter)
		Pre	Post	Pre	Post	
1.	Pursarth Trading Company Private Limited	2,00,204	3,00,204	14.42	18.84	Promoter
2.	Harbinger Trading Company Private Limited	75,700	1,80,700	5.45	11.34	Promoter

- Post Issue equity shareholding is calculated assuming full conversion of Warrants.
- \*\* % has been calculated on the basis of fully expanded equity share capital assuming full conversion of Warrants.

**(vii) Lock-in period**

The warrants/equity shares issued on conversion of warrants shall be subject to lock-in as per the SEBI ICDR Regulations 2009 for preferential issue to allottees for the time being in force.

**(viii) Price of the issue:**

The shares are proposed to be allotted on preferential basis at a price of Rs.10/- per share fully paid-up, which is higher than the price arrived at as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

A certificate issued by M/s Ganesh & Rajendra Associates, Chartered Accountants, the Statutory Auditors of the Company, as to the pricing of the issue and that this preferential issue of securities is being made in accordance with the Guidelines on Preferential Allotment issued by SEBI is being placed before the shareholders at the Meeting and also available for inspection at the Registered Office of the Company during the business hours on any working days.

**(ix) Change in the control or composition of the Board**

There will be no change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to the conversion of warrants, into equity shares, issued on preferential basis.

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Section 81 of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, *inter alia*, provides that further issue of shares to persons other than the equity shareholders would require approval of members by a special resolution. The consent of the members is therefore sought to authorize the Board of Directors to issue warrants convertible into equity shares as set out in the resolution at Item No. 4 of the Notice.

The Board recommends the resolution as set out at Item No.4 of the accompanying notice for approval of members.

None of the Directors are deemed to be interested or concerned in the above resolution except to the extent of their shareholding(s) or the shareholding(s) of their relatives.

(x) **Compliance with SEBI Regulations**

On or before conversion of warrants into equity shares, the promoters and the Company will comply with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, and/or any other guidelines/regulations as may be applicable.

Mumbai  
Dated: 30<sup>th</sup> June, 2012

BY ORDER OF THE BOARD



MILAN B. DALAL  
DIRECTOR

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## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the **SEVENTY-SEVENTH ANNUAL REPORT** of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2012.

## FINANCIAL RESULTS

	Year ended 31 <sup>st</sup> March, 2012	Amount (Rs.) Year ended 31 <sup>st</sup> March, 2011
Profit)/(Loss) for the year	1,71,593	(49,657)
Less: Provision for Taxation	36,000	--
	1,35,593	(49,657)
Prior year expenses	--	38,750
Provision for deferred tax	(27,932)	472
	1,63,525	(88,879)
Add/Less: Deficit brought forward from last year	52,94,978	52,06,097
Deficit carried to Balance Sheet	51,31,453	52,94,976

## DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the year under report.

## DEMATERIALISATION OF THE COMPANY'S SECURITIES

Subsequent to the year under report, the Company's securities were admitted into both Central Depository Services (India) Limited as well as National Securities Depository Limited. Consequently, the securities are now traded in both physical as well as dematerialised form.

## PREFERENTIAL ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES

Subsequent to the year under report, the Company is proposing to make a preferential issue of warrants convertible into equity shares, pursuant to the provisions of Section 81(1A) of the Companies Act, 1956.